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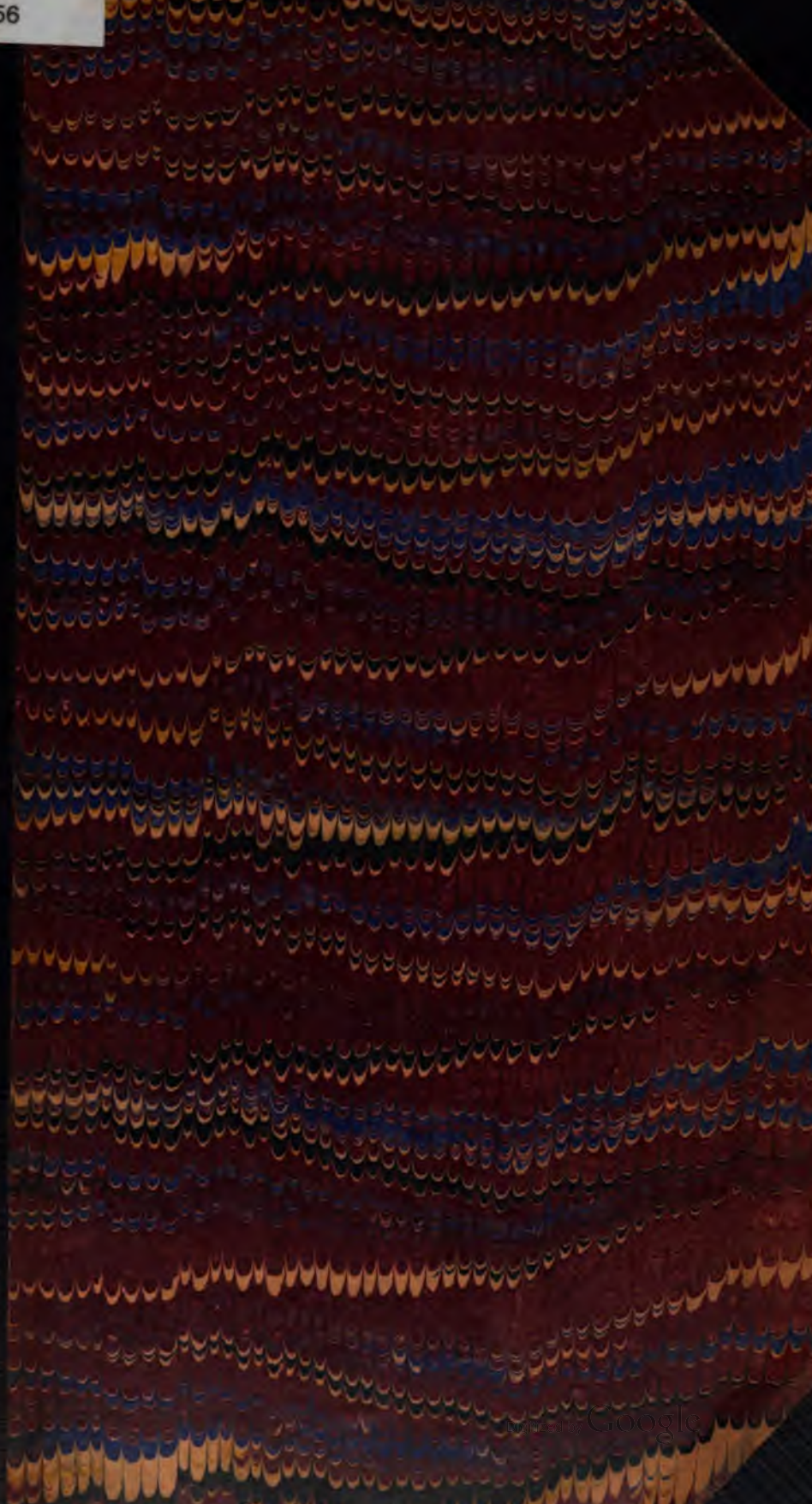
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COMMONWEALTH OF AUSTRALIA.

PARLIAMENTARY DEBATES.

SESSION 1906.

(THIRD SESSION OF THE SECOND PARLIAMENT.)

VOL. XXXIII.

(Comprising the period from 9th August to 4th September, 1906.)

SENATE AND HOUSE OF REPRESENTATIVES.

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that we wish to interfere with State lands. They declare that the land question belongs to the States. To me, it is perfectly clear that the individual who says that cry is an enemy to reform. There is not a State Parliament in Australia to-day which can pass a progressive land tax, no matter how urgently it may be required by its people.

Mr. HUTCHISON.—That is why our opponents say that it is a State question.

Mr. WEBSTER.—Exactly.

Mr. POYNTON.—And we are told that we are the only people who have a stake in the country.

Mr. WEBSTER.—The man who has a wife and family has a bigger stake. This matter has been talked about in the States for the past twelve years, but in no instance has the Legislative Council—the House of landlords—mentioned the imposition of more than a mere apology for the progressive land tax. They have thrown out land taxation proposals without consideration, and have practically shown that as long as they exist, landlordism of the Commonwealth is in its monopoly.

Mr. POYNTON.—There is a land tax in operation in Victoria.

Mr. WEBSTER.—It is a mongrel tax—an absolute mockery. Although, as the result of Government action and private enterprise, some 448,000 acres in Victoria have been subdivided during the last four years, the number of estates is greater than before. The reason for this is that the monopolist has come in and bought up some of the land so dealt with. Others speculate in land, and put tenants upon their holdings. That is what has taken place under the system that is advocated by the honorable member for Grampians and the honorable member for North Sydney.

Mr. POYNTON.—It is due to the fact that the farmers are allowed to obtain the easement of the land.

Mr. WEBSTER.—It is because the people cannot help themselves. It is hopeless to expect action to be taken by the States Parliaments in the direction that our party propose. Even if it were possible for land taxation to be imposed by some of the States legislatures, it would be unwise to leave this task to them, since our desire is to populate Australia, and not to populate one State at the expense of another. If a land tax were imposed in New South

Wales, with the result that various large estates were offered for closer settlement, we should have farmers hurrying there from Victoria, South Australia, and other States. We desire to give effect to a policy that will apply equally to all parts of the Commonwealth. We desire a tax that will cause the sliprails of large estates to be thrown down, so that the sons of our farmers and their dependents may go upon them. We desire, also, that the people of the old world who come here, bringing money and experience with them, shall have an opportunity to assist in laying the foundation of a strong and healthy yeomanry. It is because we believe that State legislation in this direction would be ineffective that we advocate a Federal progressive land tax. We shall secure such a tax when the electors do their duty, and relieve us of the presence in this House of those who either do not understand or refuse to understand the true interests of the people. When the Parliament of the Commonwealth recognises its full power—when it recognises the shallow mockery of the proposals of the Opposition—it will pass land tax legislation that will be effective. We desire to meet the legitimate demand for land. Whenever a desirable block of land is thrown open for settlement in New South Wales it is sought for by men who travel miles in the hope of securing it. After all, it is only a chance; it is very much like taking a ticket in one of Tattersall's consultations in the hope of drawing the winning marble. Only by mere chance can a citizen in New South Wales secure a piece of land on which to make a home for himself and his family.

Mr. JOSEPH COOK.—In the last five years during which according to their boast the honorable member and his colleagues ran the Government of New South Wales, 4,000,000 acres of land were alienated.

Mr. WEBSTER.—The honorable member is once more resorting to his cunning tactics, but I am not going to run over the rail that he has put down. I have known of men who saved £400 or £500, and who, in their desire to secure a block of land on which to make a home, travelled from town to town until their means were exhausted, and were then left landless and moneyless.

Sir JOHN FORREST.—Western Australia gives 160 acres for nothing.

Mr. WEBSTER.—I have seen some of the land there, and am of opinion that Western Australia is prepared to give away that which she cannot sell.

Sir JOHN FORREST.—There is plenty of good land.

Mr. WEBSTER.—The Midland Company has some of the best land in Western Australia. Its holdings represent a gigantic grab made in the early days. The land which the Government of Western Australia are prepared to give away is of no value.

Sir JOHN FORREST.—It is being taken up by large numbers of people.

Mr. WEBSTER.—How could men be expected to go into some parts of that land of sand and blight?

Mr. POYNTON.—There are forests there.

Mr. WEBSTER.—And a monopoly is now denuding those forests more rapidly than any similar territory has been stripped of its timber. The remarks which I have made in regard to the demand for land in New South Wales will apply also to Victoria. In Queensland there is still an opportunity to secure good land, because the whole of it has not yet fallen into the hands of monopolists. The desire of the Labour Party in proposing a Federal land tax is to secure closer settlement in all the States. If a holding of 50,000 acres be subdivided, and settled by 100 families, other employment is created. Roads and bridges are needed, and railway and telephonic extensions are demanded. Then, again, co-operation can be induced, not only in working the land, but in distributing its products, and in this way great economies can be effected. Mildura furnishes an illustration of what a number of settlers living in close proximity can do by co-operation in the marketing of their products. I could talk for hours if it were necessary on the benefits to be derived from closer settlement. When water conservation is required to-day an appeal is made to the Government to come to the rescue of the people. Sometimes the Government are unable to do so, but this difficulty would be overcome as the result of closer settlement. The people so settled on the land would take care to conserve God's precious fluid, and so use it that the pastoral lands of Victoria and other States would bring forth crops that would enrich the people and gladden the hearts of tillers of the soil. I have already incidentally referred to another

aspect of the subject. The vast territory which constitutes this Commonwealth is populated by a little over 4,000,000 persons—men, women, and children.

Mr. BROWN.—A large proportion of whom are sweated and starving.

Mr. WEBSTER.—Where should we be if national danger arose? Land and property are of little value, unless those who hold them have some security in their possession, and know that they will not be taken away by an invading, victorious foe. When troubles arise it will be the men who are paying tribute to landlords who will be asked to fight the battles of the country. In the interests of our children, the custodians of whose rights and liberties we are, I appeal to Parliament and to the country to adopt a policy which will provide for the protection, as well as the continuous development of the nation. We cannot fight without soldiers.

Mr. HUTCHISON.—There are 22,000 Hindoos, kanakas, and other coloured aliens in Queensland who might be called upon to do some of the fighting.

Mr. WEBSTER.—I would not trust a coloured man to defend my children; I would rather try to defend them myself. We wish the country to develop in every direction, and yet are not prepared to adopt that policy which is best calculated to promote development. The Minister of Defence is afraid to move, because of the strong grip that Parliament has on him, and honorable members object to the spending of a large amount to provide armaments and equipments for defence against invasion. Why cannot we do what is necessary for our proper defence? It is because we have not sufficient population. The heritage of the people is monopolized by a few, so that their lands are not producing what they should produce. If we settled our country, allowing our people to establish homes therein, the community would benefit by the increased circulation of wealth which their industry would create. Let us throw down the slip-rails, and let the people on the land. Let us settle them on the country through which our railways pass, and close to our markets. In this way our lands will be developed to the fullest extent, bringing forth plentiful harvests, and the Commonwealth will prosper and proceed steadily on the road to nationhood. We must put aside all fallacies, all myths, all delusive proposals of politicians who from time immemorial have been

bandying words on such questions as free-trade and protection. We must get down to bed-rock. We must dig out the cancer which is preying upon our social system, so that the organism may have a chance to recover its health, and to grow strong. I am not appealing to men of money, to the landholders, or to the bankers of this country; I am speaking to the workers, in the interests of our children, and of those who are yet unborn. I want the land for the landless and the landless for the land. That is the policy which we must inscribe upon the flag which we nail to our mast. Without such a policy the country cannot progress as a young country should. The large estates which are now held by a few are strangling development. They are preventing the progress of districts, decimating towns and villages, depopulating the country, and driving those who should be settled upon the land into the already over-crowded cities. This is a rotten state of affairs, and the party which has the courage to try to reform it, notwithstanding the opposition of vested interests, is undertaking a noble cause. By carrying out reforms we shall benefit Australia, the glorious Empire upon which the sun never sets, of which we are a part, and humanity at large. But we shall do this only if we have the courage of our opinions, standing by them and fighting for them, until people are convinced of the wisdom of our proposals, and a prosperity follows our efforts four times as great as that which has resulted in New Zealand from the actions of Mr. Ballance and Mr. Seddon. We must not be triflers, playing on political harps to the delusion of our fellow citizens, but must tread the thorny path of duty, urging always the interests of the people, and ready at all times to defend their rights and liberties.

Mr. KELLY (Wentworth) [10.40].—It is a great relief to an ordinary member of the Committee to know that the speech just concluded by so torrential a peroration is not designed as an appeal to party feeling. The honorable member for Gwydir has told us that he has spoken solely in the public interest, without party motive, and with no such object as the obtaining of votes. The honorable member said something about nailing his colours to the mast. If his political career stands for anything, the fittest place for him to nail his colours would be the political fence. He accused honorable members upon this side of the

House of masquerading as free-traders. He also accused protectionists upon this side of the Chamber, and upon the Ministerial benches of masquerading as protectionists. It is singularly unfortunate that this mis-description should come from an honorable member who has been everything—a protectionist, a free-trader, and a Socialist—all within a short space of time. In 1891 the honorable member submitted himself to the Canterbury Labour League as a candidate for that constituency. Before his name went to the ballot, however, it was withdrawn, and he afterwards opposed the selected labour candidate as a protectionist. He was defeated upon that occasion. Afterwards, in the Marrickville electorate, he succeeded in gaining, upon his own merits, the suffrages of eleven trusting electors. Subsequently he joined the Labour League, and was returned to this House. He now feels called upon to traduce many better men. I did not, however, rise with a view to making a party speech. We have listened to some fairly comprehensive addresses, and I propose to speak as briefly as the occasion will permit upon a non-party question, and in a non-party spirit. I am glad to at last find myself in complete harmony with the Treasurer upon the matter with regard to which I intend to address the Committee. The right honorable gentleman made some statements with regard to the Naval Agreement, which show beyond the shadow of a doubt that he, as the mouthpiece of the Government, is prepared to accept the verdict of the Imperial Defence Committee and stand by the principle of the Naval Agreement, instead of giving his adherence to the policy so recently advocated by members of the Labour Party. In considering the question of Australian defence, the first thing that strikes one is the extraordinary concentration of power that has been going on throughout the world. Just as honorable members know that this concentration has been going on in the industrial world, and that what I may term the tools of trade have been passing into fewer hands, so, throughout the world, the control of armaments is passing into fewer hands. One hundred years ago the armaments of the smaller powers were factors that had to be taken into account. During the Napoleonic era great efforts were made to gain possession of the armaments of the Netherlands, Denmark, and other small

countries, and the motherland made immense efforts to counteract this movement. In those days the smaller powers counted for something, but to-day they are hardly worthy of consideration. The military power of Europe is practically now concentrated in the hands of the Triple Alliance on the one hand, and the Dual Alliance on the other, with England holding the balance between them. There are smaller countries, which exist only because the time is not opportune for the larger powers to absorb them. In South America, there are a number of small powers which exist, not because of their inherent merits, but because of the Monroe doctrine, established by 80,000,000 of our own flesh and blood in the United States, which insures the inviolability of American territory. Therefore, it appears that the sun of the small powers is set, and I am prompted to the conclusion that, for this reason if for no other, this Continent must be, for all time, indissolubly bound up with the great Empire of which we form a part. What is Australia's position in the Empire? Up to the present, we have been able to devote ourselves to the development of our immense territory, without being called upon to pay any regard to the responsibilities of nationhood. We have never had to fight for our great heritage; we have never heard a shot fired in anger, nor have we even been asked to take part in the Imperial Defence Scheme. What is the reason of this? Great Britain has had to provide for her own territorial integrity, and for the safety of her trade. Her only possible enemies have been centred in Europe, and as she has been compelled to maintain a vast fleet to hold the European powers in check, she has been enabled, incidentally, and without providing any ships or armaments for the exclusive defence of Australia, to afford us security. British armaments have been thrown like a cloak round the coast of Europe, and access to the high seas has been denied to any possible enemy that might threaten Australia. Under these conditions, Australia was right behind the Imperial shield; but what is her position to-day? She has suddenly moved from behind the Imperial shield, and has taken up a position far in the forefront. She is now an outpost nearest to the danger centre. We are very near to the new powers in the East, with one of whom we are fortunately in alliance, but with whom we can-

not expect—although we may hope to remain always at peace; and I ask honorable members to consider the changing situation, and to reflect that we now owe duty to ourselves infinitely greater than a we have had to discharge in our past history. The people of the mother country will not have the same interest or the same concern in building war ships in competition with the new powers in the Far East that they have had in maintaining huge naval armaments against the powers of Europe, who offer greater menace of invasion. What does all this mean? It seems to me that when foreign armaments more nearly approximate our own the great empty lands of Australia will be in danger of being taken from us, without our being able to offer anything but the most flimsy and hopeless resistance. That, I am sure, is a consideration with which honorable members will deeply concern themselves. What duty do we owe to Australia under such circumstances? Our own capacity to protect ourselves is likely to become comparatively less and less effective year by year. Alone, we cannot hope to compete with the great Eastern powers. A mere comparison of our population with theirs should be sufficient to enable honorable members to recognise that fact. For instance, Japan—which is by far the less powerful potentially of the great powers of the East—possesses a population of nearly 48,000,000. The population of China is, roughly speaking, 400,000,000. At the present time, the Japanese fleet, which is only in its infancy, consists of 166 vessels, and there are 39 additional vessels at present in course of construction. In other words, the fleet of Japan—including the ships which are now being built—numbers 205 vessels. I mention this merely with a view to showing that we have no possible chance of standing alone. I have already pointed out the danger of Imperial slackness in this matter, and I ask what solution of the difficulty presents itself which is not in the direction of Imperial co-operation? What possible hope is there that a proper solution of the problem, from an Australian stand-point, can be arrived at if it does not lie in our being able to make a business arrangement with the mother country under which we shall insure that Imperial strength in battle-fleets shall always increase in the

same ratio as the fleets of Europe and Asia combined? Unless we can enter into some such arrangement, Australia will not long remain in possession of the race which now occupies it. In suggesting that we should make a business arrangement with the mother country in this connexion, I wish it to be clearly understood that I do not mean that Australia should stint her own efforts in any way. She must devote herself to training her own men and to developing her own naval power. If her men are to be used in a co-operative effort, they must be trained under the one control. The Australian contribution to any Imperial fleet—and I use the word "Imperial" in its widest sense—must be under a proper system of discipline, and under the same command as are the contributions from other sections of the Empire. To insure discipline in all the Empire's fleets, there must be one control, otherwise how can a commander know how to employ the forces at his disposal to the best advantage? There must be one control for the construction of the Empire's ships, or how can we know that the tactical difficulties of the commanders in manœuvring them will not be immensely increased? There must be one control in the distribution of those fleets, or how can we be assured that, upon the outbreak of war, the Empire's efforts will be put forth to the best advantage? There we have the ideal of a co-operative Imperial navy. Some honorable members—especially those in the Labour corner—have been wont to ridicule the idea that Australia is unable to provide for her own defence. But I would point out that it is no more unworthy for Australia to seek to co-operate in a manly way, to her own advantage, with the people of our own blood overseas than it is for a trade unionist to combine with another trade unionist for a common purpose.

Mr. HUTCHISON.—The trade unionists will be called upon to fight the battles of the Empire when that time comes.

Mr. KELLY.—I am not casting any reflection upon trade unionists. I am merely pointing out that the honorable member cannot legitimately oppose the co-operation of Australia with the mother country—

Mr. HUTCHISON.—If the honorable member was not sneering at trade unionists, why does he accuse the Labour corner of doing anything of the kind?

Mr. KELLY.—I cannot understand the observation of the honorable member. The ideal of a co-operative Imperial navy will involve some very serious modifications in the existing Imperial Constitution. Its attainment is beset with difficulties. But, although those modifications may be undesirable to a degree, some change is absolutely necessary. Australia unaided cannot defend her own shores. She must join with other people, and she can only join equitably with them by securing a modification of the existing Imperial Constitution. These modifications may be, for many reasons, undesirable, but they are none the less necessary on that account. Before many years have passed, honorable members will recognise that fact. I am afraid that this is a subject with which I am scarcely fitted to deal. Nobody has a keener appreciation than myself of my own inability to do it justice. Honorable members know that I have done my best to interest the leaders of opinion in the House in this all-important Imperial question. But I have not been successful in inducing them to take action, and therefore it becomes necessary for the rank and file to grope their way to the light as best they can. We have this idea before us as a beacon-light. We want to take all the steps we can to move in the direction indicated, even if we cannot achieve all that is desired at once. For my own part, I think that what we should endeavour to do is to extend the principle of the Naval Agreement in every way possible. I think that the naval reserve in Australia at the present time has a serious cause for complaint, and I do hope that the Government will do all that it possibly can to insure the extension of the principle of the Naval Agreement to this force, constituting the naval reserve of Australia as an Imperial naval reserve in these waters, trained on Imperial vessels at certain times of the year. If that principle be so extended, the naval reserve will be made greatly more useful than it is now. It needs extension in that direction, and also in the direction of offering facilities for Australians to rise to the highest grades in the service in Australia. These are extensions of the principle of the Naval Agreement which I hope the Government will take every opportunity to have made as soon as possible. If they were made, the "burning question" of an Australian Navy would be relegated to the background. It is

quite possible to do it. It is possible to use all the officers we have in Australia in our locally-controlled forces, transferred and made into an Imperial naval reserve in Australia. The only difference between themselves then and now would be that they would then be subject to the Imperial standard of discipline, whilst now they have a standard of their own under which they have to work. The first step would be to ask Imperial officers to make an annual inspection of the Australian forces, and to furnish an annual report on the state of their discipline. So much for the naval side of the Australian defence problem. May I ask for leave to continue my remarks to-morrow?

Mr. DEAKIN.—On the understanding that we finish this debate to-morrow.

Mr. KELLY.—Honorable members on this side have not been making long speeches.

Mr. DEAKIN.—As long as the honorable member does not interfere with speakers on his own side, I do not object. I think there are no more speakers from this side. How long would the honorable member be to-morrow?

Mr. KELLY.—Probably half-an-hour.

Mr. DEAKIN.—Why not finish to-night?

Mr. KELLY.—I do not object, but I did not wish to keep honorable members up at this late hour. I turn now to the second line of Australian defence. I propose to deal solely with the anti-invasion forces of the Commonwealth, and not at present with the coastal forces as they exist at the present time. I include the garrison artillery and troops in the coastal forces. When we are considering the question of what forces we need in Australia for the distinct purpose of repelling invasion, it becomes necessary for us to consider when it is likely that these forces will be called into requisition. It is obvious that Australia cannot be invaded until the command of the seas has been lost. It is obvious, therefore, that our anti-invasion forces cannot be called into requisition until such an eventuality occurs. Our position in Australia is very much like the position of Great Britain. The British problem is our problem. Great Britain's second line of defence will be called into operation at about the same period as our own. I have here the opinion of the present Secretary for War in Great Britain as to the position of the anti-invasion forces there. I quote

from column 664 of the English *Hansard* for the present session—volume 153. Mr. Haldane said—

The first thing we want is absolutely clear thinking about the purposes for which the Army exists, and the principles on which it is to be organized. That, perhaps, seems a trifling thing to say, but it would seem more trifling to say that copy book maxims are useful things. Every error multiplies itself into millions. In the Army you are dealing with an enormous body of men under all sorts of complicated conditions, and if you are not perfectly clear what you want to do with these men, and on what principles you desire to fashion their organization, you may be involved in an amount of expenditure, and in a state of confusion you cannot realize beforehand.

He went on to say—

It was laid down with extreme clearness by the right honorable gentleman, the member for the City of London, on 11th May last, in a speech to which we all listened with the deepest interest, because we felt it marked a new stage on the way to efficiency, that on the hypothesis of the worst possible moment of our military position, and on the calculation of Lord Roberts, accepted by other military critics, it would not be possible to attempt an invasion of our island with less than 70,000 men, and no admiral of the British Fleet would undertake such a task. That is the advantage of a strong Navy, and very useful when considering the cutting down of all unnecessary army expenditure. The right honorable gentleman, the late War Minister, was of opinion that no foreign nation would care to land 5,000 or 10,000 men. If they did land 5,000 or 10,000 it would be no use, because they could not come subsequently and take them away. Such a number of men might cause some annoyance, but they would all be cut up, not one of them would get back.

He then referred to the essentiality of the Navy, and said—

Let us start then on the assumption that we are in earnest with this principle, and that it is now a continuous principle. It is the principle of the late Government; it is the principle of the Defence Committee; it is the principle of the Navy; it is the principle of the War Office, and the Army Council; it is the principle of the present Government, just as it was the principle of the late Government. It is an accepted principle, and one on which the rule of clear thinking should apply. We have bed-rock fact here for the organization of our defence.

That bed-rock fact was the predominance of the Navy and its efficiency to repel invasion. Mr. Haldane went on to say that, as the country's whole effort had been put into this unit, and as the country could not afford both a navy and a large army, it became necessary, in considering the second line of defence solely, to provide only such portions of an army machine as could not be constructed between the period of the outbreak of hostilities and such time

as our naval supremacy might be wrested from us. He held that, if the country provided such portions of the military machine as could not be provided in a hurry—as could not be provided in the interval between the outbreak of war and the loss of the command of the seas—the rest of the country's second line of defence might be left until the outbreak of war. The position of Great Britain is entirely that of Australia. If the Government were to content themselves so far as our second line of defence is concerned with providing a truly efficient administration—and that we have not got at present—by providing either small arm ammunition and ordnance factories, or an adequate supply of ordnance and ammunition, and all the stores that cannot be supplied at a moment's notice, they would be doing all that is necessary at present. In such a case they might well leave the mere raising of levies to such a period as between the outbreak of war and the loss of sea command would enable us to train them to be efficient soldiers.

Progress reported.

LANDS ACQUISITION BILL.

Bill received from the Senate and (on motion by Mr. ISAACS) read a first time.

House adjourned at 11.14 p.m.

Senate.

Friday, 10 August, 1906.

The PRESIDENT took the chair at 10.30 a.m., and read prayers.

MILITARY CANTEENS.

Senator CROFT.—I desire to ask the Minister of Defence, without notice, whether he will lay upon the table of the Senate a copy of the return relative to the conduct of canteens, which was tabled yesterday in another place in reply to a question asked by Mr. Kelly?

Senator PLAYFORD.—I shall obtain a copy of the paper, and lay it upon the table of the Senate.

PRINTING COMMITTEE.

Senator HENDERSON (Western Australia) [10.31].—I beg to bring up a report from the Printing Committee, and to ask that it be read.

Report read by the Clerk.

Motion (by Senator HENDERSON) agreed to—

That the report be printed, and taken into consideration on Thursday next.

NAVAL RESERVE, SOUTH AUSTRALIA.

Senator GUTHRIE.—I desire to ask the Minister of Defence, without notice, if he has received a complaint from the men composing B class of the Naval Reserve in South Australia, and, if so, whether he has dealt with it?

Senator PLAYFORD.—A complaint was forwarded to me by the honorable senator, and I sent it on for report. I have not yet received a report, but I hope to get one in the course of a day or two.

EXPORT OF HARVESTERS.

Senator PULSFORD asked the Minister representing the Minister of Trade and Customs, *upon notice*—

What is the number of the Australian-made harvesters exported in 1905, the value of which is stated to be £30,110?

Senator PLAYFORD.—The answer is, 418.

AUSTRALIAN INDUSTRIES PRESERVATION BILL.

SECOND READING.

Debate resumed from 9th August (*vide* page 2578), on motion by Senator PLAYFORD—

That the Bill be now read a second time.

Senator MCGREGOR (South Australia) [10.38].—So far as the regulation or control of monopolies is concerned, this cannot be considered in any sense a party measure, for every one knows that the policy of the Labour Party with respect to monopolies is entirely different from that referred to therein. We, as a party have long recognised that when any business or industry becomes a monopoly, the only effective remedy is to nationalize it. At the same time, seeing that it is not within the power of this so-called Socialist Party to carry into effect its policy, we are prepared to support the Government in their endeavour to control in some manner what might become dangerous monopolies in the Commonwealth by means of this Bill. It deals with two entirely different subjects, namely, the control of dangerous or restrictive monopolies, and what has been characterized as dumping. I intend first to make several references to that portion

of the Bill which deals with the former subject. I was rather surprised yesterday, when listening to the very lengthy and very able speech of Senator Symon. At all times he is an adept in destructive criticism, but in this instance I think that he went a little too far, if his object was to impress members of the Senate, or even any one outside. In the first place, he asserted that there are no destructive monopolies, or monopolies which in any way can injure the trade or commerce of the Commonwealth, and that the measure is unnecessary. He next said that it was legislation of a character which, if enacted, could not be put into operation. Incidentally, he clearly demonstrated that the members of the legal profession would be able to drive the proverbial coach-and-four through its provisions. I really do not know what the honorable senator would have us to do. He suggested that the measure had only been brought before the present Parliament by way of pastime; that, as there was nothing else of very great importance to do, we might as well be discussing it as anything else. If there are no destructive monopolies, and this legislation, if enacted, would be of no consequence, what occasion for alarm is there? Yet there is a considerable amount of alarm in the minds of some persons in the Commonwealth. Senator Symon gave evidence of the existence of this feeling, because he said that certain persons had interviewed him, and pointed out the dangers which might arise from the passing of the measure. The statements made by the honorable senator were of a very contradictory character. At one moment, he said that there was no necessity for the Bill; the next moment he said that it was no good; then he stated that there was no cause for alarm; and in the next breath he declared that there was alarm, and that persons had pointed out to him where the danger would arise. The honorable senator asserted that it was only where protective duties existed that monopolies were possible, and he issued almost a challenge to honorable senators on this side to show where in any free-trade country monopolies had existed. The Minister of Defence, in introducing this measure, pointed out that a monopoly existed thousands of years ago in Greece, when Thales cornered the olive crop. Great Britain is a free-trade coun-

Senator McGregor.

try; and I can remember when a gentleman named Henderson—I do not know whether he was related to our illustrious senator—cornered all the indigo, with the result that in one year's transactions he took a million pounds more than he ought to have taken out of the pockets of the people.

Senator HENDERSON.—None of it came to my share!

Senator MCGREGOR.—Perhaps that is why the honorable senator looks so blue! I also call attention to the fact that at the present time a monopoly exists in Great Britain in the cotton thread trade. I can remember, and I am not a very old man, when several industries of that description were scattered over Great Britain. But they have all been brought into one monopoly even in a free-trade country.

Senator PULSFORD.—That is one of the beneficent trusts.

Senator MCGREGOR.—I will deal with so-called beneficent trusts a little later on. I call attention to something which occurred in Adelaide some years ago, when there was very little protection in that State. There was a gentleman connected with the Warhouse family, who used to run a business not far from the corner of King William and Rundle streets. On one occasion he thought that it would be a good thing to get control of all the currants that are used by bakers and housewives. He did so, as far as he could, with the result that in a very short time he nearly doubled the price. Would Senator Pulsford say that that was a beneficent monopoly? Will any one tell me that the Colonial Sugar Refining Company is not a monopoly? Whether it is a beneficent monopoly I am not in a position to state, but whether it is destructive of other industries in Australia or not, it is in a position to exercise a very serious influence over them, and in that respect comes to the verge of danger. We have granted bounties to growers of sugar cane.

Senator WALKER.—Because this Parliament did away with their labour.

Senator MCGREGOR.—The honorable senator need not get excited. He knows very well that all his efforts will not alter that policy. Those bounties were granted for the purpose of encouraging the employment of white people. Is it not possible that the Colonial Sugar Refining Company, through its monopoly, will be able to defraud the growers of cane to a

considerable extent of the bounties which the Government has granted to them for that purpose?

Senator HIGGS.—The cane farmers are crying out against the Colonial Sugar Refining Company, and want the industry to be nationalized.

Senator MCGREGOR.—I am not surprised at that, after what I saw and heard when I was in Queensland. Is it not bordering on danger that that company has it in its power to take away from the cane growers a portion of what the Commonwealth, in its wisdom, has granted to them? Is it not possible for the Colonial Sugar Refining Company to extract from the public more for their sugar than they ought to pay? In Queensland statements have been made to me with respect to the enormous difference between the price that the cane-growers get and the price which the Colonial Sugar Refining Company charges to business people. Of course, if the company reduces the price of sugar a few shillings per ton that is proclaimed all over Australia as an act of grace, but scarcely a word is said when the company increases the price to the consumer. Those facts prove clearly that there is a monopoly in that respect bordering on dangerous ground. It is time something was done to prevent more injury than has been occasioned in the past, both to the growers of cane and to the consumers.

Senator FINDLEY.—The only way to prevent the danger is to nationalize the industry.

Senator MCGREGOR.—I have already stated that the plan of my party is to nationalize monopolies of that description and so remove any danger that may exist while the industries are in private hands.

Senator WALKER. — Make it a national monopoly, in fact.

Senator MCGREGOR. — A national monopoly is in the interests of everybody, but such a monopoly as I am referring to is only in the interests of the shareholders of the company. We have also in the Commonwealth a tobacco monopoly. Some time ago the Senate appointed a Select Committee to inquire into its operations, and the Government converted the Committee into a Royal Commission. Probably we shall hear from some of its members more about the dangers that may arise out of that monopoly. Then I have heard whispers in some parts of Australia with

respect to a shipping monopoly. I do not know whether it is dangerous, but that there is a monopoly, no one can deny.

Senator FRASER.—I thought it was a combine, not a monopoly.

Senator MCGREGOR.—If an individual monopolises an industry it is objectionable, and I do not see that it is less objectionable if a number of individuals combine for the same purpose. I agree to a considerable extent with both Senator Symon and the Minister of Defence that a monopoly may render a service to the community, and may, during some portion of its history, be not injurious. Many years ago companies were established in the United States to extract oil from the earth. The method of carrying on the business was found to be expensive, and gradually the companies amalgamated. Through the great business ability of a gentleman named Rockefeller, they were organized in one huge combine or trust. As long as the object of that combine was the extraction of oil at a cheaper rate, economising labour, supervision, and management, it was not injurious.

Senator MILLEN.—It was illegal, all the same.

Senator TRENWITH.—It would not be illegal under this Bill. It would have to be proved to be injurious.

Senator MILLEN.—I beg to differ from the honorable senator.

Senator MCGREGOR.—We shall pay every respect to Senator Millen when he expresses his views on this Bill. I have never heard him express any opinions that were extremely selfish or parochial. The honorable senator is entitled to the respect of the Senate, and his arguments will receive every consideration. I desire to point out, however, that so long as the monopoly I have mentioned—this combine or trust—acted reasonably towards the people, not only of America, but throughout the world, it was not objectionable. It was only when a complete monopoly had been secured, and prices were fixed that enabled the promoters to amass millions which ought to have remained in the pockets of the people, that the danger arose which required legislation. It is in order to control monopolies and prevent their arriving at that stage, that, in my opinion, the Government have introduced this Bill.

Senator PLAYFORD.—Hear, hear.

Senator MCGREGOR.—Senator Symon contends that there is no necessity for the Bill—that no one has been crying out for such legislation—and he defies any one to show that any monopoly in Australia has proved repressive or dangerous. But are we to wait until the people are fleeced, and the injury is done; are we to wait until a monopoly gets such a hold on the country that it is in a position not only to rob the people, but almost, as it were, to put a ring around the Government and Parliament, which we shall be powerless to break? Many instances in our everyday life show the folly of waiting too long. Time and again deputations wait on Railways Commissioners, or Ministers of Railways and Works, with requests that gates shall be erected, or a watchman or signalman employed, at what are regarded as dangerous crossings. In such cases we often hear the argument that the traffic does not justify the expenditure, and that no one has yet been killed or maimed. Suddenly, however, a catastrophe occurs, and causes consternation all over the country. Not only a few sheep or cattle, but, it may be, half-a-dozen people, are killed, and several injured; and then, almost before we have time to rub our eyes, men are employed to erect gates for the protection of the public. All the loss of life and damage to property might be avoided if those in authority would only take warning; and, as the possibility of danger is always there, they must be regarded as neglecting their duty. As a preacher declared in another connexion, the Parliament, or the Administration, may, under such circumstances, be said to be guilty of the murder of the people who lose their lives.

Senator MILLEN.—The honorable senator had better be careful, or Mr. Bent will have something to say to him.

Senator MCGREGOR.—Mr. Bent and I are very good friends, and I do not say that he is worse than anybody else in authority. It is always the way in this world to ask us, in the matter of reform, to wait a little longer—to wait until somebody is killed or injured—when it will, it is said, be time enough to take precautions such as those suggested in the case of the railway crossing, or embodied in the measure we are discussing. Senator Symon asks us to delay legislation until some industry is injured, and the community has been fleeced, and is beginning to squirm; but innumerable instances could be quoted, on both sea and

land, where neglect to take precautions has resulted in disastrous consequences.

Senator TRENWITH.—That fact has given us the proverb, "Delays are dangerous."

Senator MCGREGOR.—Senator Symon asserts that this measure would never have been introduced but for the influence of a certain individual. We all know to whom the honorable senator referred.

Senator TRENWITH.—Senator Symon mentioned the name.

Senator MCGREGOR.—The gentleman referred to by Senator Symon is Mr. Hugh Victor McKay. I may say that Mr. McKay is no relation of mine, and that I am in no way concerned in his business. If Mr. McKay did not comply with the laws of the country, I should be just as severe on him as on anybody else; and he is just as likely as any of his rivals to come under the operation of a measure of this kind, if he attempts to create a monopoly to the detriment or injury of the public in any of the other States. Senator Symon read a long list of the machines which are manufactured by Mr. McKay, and made a statement in reference to the manufacturers of South Australia, which, from my own knowledge, and as the result of several conversations with them, I am in a position to deny. Not one of the manufacturers of South Australia has ever made any complaint or said a word against the competition of any other manufacturers in Australia since the Commonwealth came into existence. Whatever complaint may have been made before Federation, there has been none since, because the South Australian manufacturers say, "We are all Australians now, and are all under the same conditions, and if we cannot conduct our business, and manufacture as effectively as our competitors within the Commonwealth, we deserve to go down." What these manufacturers complain of is the competition of outsiders, who adopt methods and means to which the manufacturers of Australia have not yet descended. I hope honorable senators will pay attention to the figures presented by Senator Symon, because they show exactly the facts of the case. The effective manufacture of these harvesters in Australia was first carried on by this same Hugh Victor McKay, and he sent them to South Australia, as he did to other places. There was then no competition from Canada or America, owing to the fact that such machines are not suitable to the climate and

conditions which there obtain, and even now they are not used in those countries except to a very inconsiderable extent. Mr. McKay, like many others in business, persevered and worked successfully in the manufacture of an effective machine, which, as I say, he sold in South Australia, where the climate and other conditions are suitable to their use. Mr. McKay, I suppose, sent twenty machines to South Australia, when none were sent by the Massey-Harris Company, or any other firm, and none were manufactured within that State itself. Does Senator Symon blame Mr. McKay for doing what he did?

Senator MILLEN.—Senator Symon expressly said that he did not blame Mr. McKay.

Senator MCGREGOR.—I do not think that any one could blame Mr. McKay for carrying on a worthy enterprise. At the cost of much labour and money, Mr. McKay, after several years, succeeded in obtaining a fair price for his machines. Then the competition began, first of all at the hands of manufacturers in South Australia. So far as I know, Mr. McKay has never complained of this competition, although, to my knowledge, South Australian harvesters have been sold in the Mallee districts of Victoria and elsewhere. But after Mr. McKay, Messrs. Nicholson and Morrow, Messrs. Robinson and Company, Messrs. James Martin and Company, and others had developed the manufacture of these machines in Australia, they were copied in the United States and Canada, and then began the competition from oversea. The people here who had, as it were, ploughed and harrowed the ground, and at the expenditure of much labour and money—

Senator PLAYFORD.—Who had invented that machine.

Senator MCGREGOR.—I shall not say that those people invented the machine.

Senator TRENWITH.—They developed and perfected it.

Senator MCGREGOR.—That is so. So far as I know, the idea of the machine may have been known to Noah, though I am not aware whether Noah was a cultivator of wheat. It may be thousands of years old; but, at any rate, the machine was developed and perfected in Australia, in order to suit Australian conditions; and those who did that work ought to be protected against any unjust or inequitable competition. That, indeed, is all that the Bill attempts to do, either in regard to the

restraint of monopolies, or the prevention of dumping. The control of a great industry by a combine, a monopolistic trust, or even by an individual, does not render that industry injurious; and until it is injurious, legislation such as this cannot interfere. Senator Symon also referred to another matter. The honorable senator told us that a gentleman in connexion with the industry to which I am about to refer, interviewed him, in common with members of both Houses. In my opinion, people thus interested have every right to place their views before us, and to show how legislation of this kind is likely to affect them. I am referring now to the boot manufacturing trade. Some fourteen or fifteen years ago, machinery was invented in America for the purpose of manufacturing boots and shoes. It was developed and perfected by a number of companies in that country. After all the operating companies had come together, and entered into one large combine, they extended their business to Australia. They came here with what is known as the Goodyear machinery for the manufacture of boots and shoes, and under the title of the United Shoe Machinery Company of America, they are operating in Australia to-day. Just as the manufacturers of harvesters in Australia have ploughed the ground, harrowed it, and tilled it in connexion with the development of that machinery, so I believe the United Shoe Machinery Company of America have carried out the same work in that country in connexion with the manufacture of boot and shoe machinery. On that account, I think they are entitled to every consideration. I should be the very last member of the Senate to attempt to do anything that would injure the boot manufacturing industry of Australia. It gives employment to thousands, and supplies the wants of the people in a very effective manner. I am sure that every member of the Senate would hesitate to do anything which would put the slightest obstacle in its way. Whilst the United Shoe Machinery Company was carrying on its business legitimately there could be no objection to it, nor is there any very serious objection to it now. But, like the sugar monopoly and the tobacco monopoly, this company is now spreading its nets over the boot and shoe industry of Australia in such a manner as to threaten to exclude every one

else. I should like to ask honorable senators whether they believe that there is any genius, intelligence, and perseverance to be found amongst the people of Australia? I know that we have people possessed of all those qualities, and it is the duty of the different Parliaments of Australia to give them every opportunity to display them to the fullest possible extent. Now, what is the position in relation to the United Shoe Machinery Company? If Senator Symon invented an effective machine for the manufacture of boots and shoes, what could he do with it?

Senator PLAYFORD.—He could patent it.

Senator MCGREGOR.—He could.

Senator PLAYFORD.—And then sell the patent.

Senator MCGREGOR.—Then he would have to sell the patent. He would be obliged to go to the United Shoe Machinery Company, and say, "I have something good here. If you care to take it over, I will patent it, or you can do so. We can arrange that between us, and if you think it is worth so much, I will take that for it." He would have to take whatever the company offered, because he could not go anywhere else with his machine. If he refused to take what the company offered, what position would he be in? His machine could not be used.

Senator PLAYFORD.—The company might do, as combines have done in America; they might pirate it.

Senator MCGREGOR.—It could not be used by the boot and shoe manufacturers of Australia. I shall prove that in the only way I can by giving the Senate some idea of the operations of this company. I do not take this course from any spirit of antagonism to the company, because if this Bill is passed, there will be nothing to prevent the company carrying on their business with the boot manufacturers of Australia. So far as they are concerned the only difference which the passage of this Bill will make is that they will not in future be able to bind those manufacturers hand and foot. I propose afterwards to show if I can what will be the effect of this legislation on the machinery industries of Australia itself. I have before me copies of certain clauses in the agreement which the United Shoe Machinery Company compels all its clients to sign. They may say that they do not carry out this agreement to the letter, but

they undoubtedly have the power to do so, and if an individual manufacturer displeases the representatives of the company, he must put up with the consequences. Clause 6 of the United Shoe Machinery Company's agreement is to the following effect:—

The lessee shall as and by way of rent for the use or hire of the leased machinery during the continuance of this lease pay in advance to the lessor on the _____ day of _____ in each year, during the continuance of this lease, the sum of £15 12s. 6d. The lessee shall purchase exclusively from the lessor all fastening and other material used by him in or in conjunction with the leased machinery, and the boots, shoes, and other footwear made or partially made therewith, and shall pay therefor in cash on delivery; provided, however, that in case at any time or times when the lessee shall require fastening or other material for use in or in connexion with the leased machinery, the lessor shall be unable or unwilling to supply to the lessee such fastening or other material, and at a price not more than five per cent (5 per cent.) in excess of the price for which the lessee can obtain such fastening or other material of equal quality elsewhere, the lessee shall be free for so long a time as he is unable to obtain the same from the lessor as aforesaid to purchase such fastening or other materials he shall require for use in or in connexion with the leased machinery elsewhere.

Then clause 10 provides that—

Upon the expiration or termination of these leases or any extensions thereof, from any cause whatever, the lessor shall be immediately entitled to the possession of the leased machinery free from all claims or demands whatsoever, and the lessee shall forthwith at his own expense deliver the leased machinery complete and in good order and condition to the lessor. The lessee hereby grants by way of easement or right to the lessor, its successors, and assigns, and such workmen or others as may be authorized by the lessor or its successors or assigns for that purpose, full right, power, and authority to enter upon the premises at Abercrombie-street, Eveleigh, Sydney, New South Wales aforesaid, and into every part thereof where the leased machinery or any part thereof may be, and to take possession of the leased machinery, and take away the same, at the cost, risk, and peril of the lessee, and the lessee in addition and without prejudice to any other rights and remedies of the lessor hereunder, shall thereupon pay to the lessor such sum as may be necessary to put the said machinery in good or complete order and condition. And the lessee hereby for himself, his heirs, executors, administrators, and assigns, including his permitted sub-lessees or tenants, covenants with the lessor, its successors and assigns, to the intent that this covenant shall run as a burden binding the said premises that the lessor, its successors and assigns, shall at any time during the continuance of this lease, or so long as the said machinery, or any part thereof, shall remain or be in or upon the said premises, or other premises of the lessee, possess and be entitled

to use and exercise such easement or right as aforesaid.

Clause 11 provides that—

A notice in writing, signed by the president, a vice-president, the treasurer, or the Australasian manager of the lessor, or by any assignee of the lessor's rights hereunder, and posted by registered letter addressed to the lessee, or delivered at his usual or last known place of abode or business in Sydney, New South Wales, that the lease hereby granted is determined or shall be determined at the expiration of a certain period, shall be a sufficient determination of the lease from the time of posting or delivery of such notice, or from the expiration of the period therein mentioned, as the case may be. Any cancellation or termination of this lease shall not release the lessee from his obligation to pay for fastening or other material, duplicate parts, extra mechanisms, tools and devices, delivered prior to such cancellation or termination, and shall be without prejudice to any other rights or remedies which the lessor may have for violation of contract, use of machines without right, or use of patented inventions without license, and in no case (excepting as hereinbefore in clause Eight expressly provided in case within six years and eight months from the date hereof, the lessor shall cancel and terminate this lease upon sixty days' notice without breach) shall the lessee have any claim for the repayment of any sum or sums, or any part thereof, which he shall have paid as consideration for the grant of this lease, or for fastening material, or otherwise in respect of the leased machinery.

The agreement continues—

Unless sooner terminated by the lessor because of breach thereof on the part of the lessee or otherwise as herein provided, this lease and license shall continue during the continuance of any lease of any Goodyear Outsole Stitching Machine, Goodyear Welt Shoe Machine, or Goodyear Turn Shoe Machine, now existing between the lessor and lessee, or which may hereafter be granted by the lessor to the lessee, but the lessor may at any time at its option cancel and terminate this lease and license by giving notice in writing in the form and manner described in the last preceding clause hereof. Such notice shall take effect on the expiration of sixty days (60) from the date of posting or delivery by hand as the case may be. In this case this lease and license shall thus be cancelled within six (6) years and eight (8) months from the date hereof, then within twenty (20) days from the receipt by the lessor at its office at Sydney, New South Wales, of the leased machinery, complete and in good order and condition, the lessor shall credit to the lessee's account with a sum equal to the "lease premium" paid by the lessee hereunder, less a discount therefrom at the rate of 15 per cent. (fifteen per cent.) per annum for each year, or fraction thereof, as shall have expired from the date until the delivery of the leased machinery by the lessee at the office of the lessor at Sydney, New South Wales, and less a sum equal to any Custom duty paid by the lessor on the leased machinery, the cost of originally conveying the said leased machinery to the factory or premises of the lessee, the cost of erection of the same, at such factory or premises, the

cost of instructing the lessee, his operatives, servants, or employees, in the proper use of the leased machines, or if there should be no account between the lessor and the lessee, then the lessor shall pay the lessee a sum equal to the "leased premium" less such discount and deductions as aforesaid.

Now I wish to ask honorable senators whether, if a company has power to put any individual manufacturer under such restraints as are indicated in the clauses of the agreement which I have quoted, that does not amount to a restraint of trade? It may be said, and no doubt it has been said, that this company has never done anything of the kind, but I deny that.

Senator MULCAHY. — Could not the holder of any patent do the same?

Senator MCGREGOR.—He might, if he could.

Senator MILLEN.—Does the honorable senator object to the boot and shoe manufacturers being required to return the machinery in good order and condition? What portion of the agreement does he object to?

Senator MCGREGOR.—I object to that part of the agreement which compels the lessee to purchase all fastenings and materials to be used in connexion with this machinery in the manufacture of boots, shoes, and other footwear from the company, and to pay up to 5 per cent. more for them than the price for which he could get them anywhere else. I object, also, to the lessor having the power, if a manufacturer adopts any other machines to say, "This contract must terminate." Clause 11 of the agreement gives the company power in such a case to terminate the contract at sixty days' notice. It might be said that that has never been done, but I shall give an instance where it has been done. It has been done here in Victoria. The copies of the clauses to which I have referred were taken from an agreement drawn up in Sydney.

Senator TRENWITH.—The same agreement is used all over the Commonwealth.

Senator MCGREGOR.—Of course it is, but a particular instance of notice being given in the terms of clause 11 of the agreement occurred here in Victoria? In proof of this I quote the following letter:—

United Shoe Machinery Coy., Sydney, N.S.W.,
15th February, 1906.

Mr. Henry Best, Shoe Manufacturer, 282 Wellington-street, Collingwood, Melbourne.

You are hereby notified that we have elected to terminate the leases and licences granted to

you on the 30th day of April, 1903, and the 28th day of September, 1904, respectively of:—

	No.
Goodyear Outsole Rapid Lockstitch Machine	924
Goodyear Welt and Turn Shoe Machine...	1234
Goodyear Welt Grooving and Bevelling Machine	488
Goodyear Welt Splitting Machine	453
Goodyear Channeller (insoles)	1573
Goodyear Welt Beater	422
Goodyear Moulding Machine	836
Goodyear Outsole Rapid Lockstitch Machine	380
Goodyear Bobbia Winaer	440
Goodyear Channeller (outsole)	1579

for the reason that you have refused or neglected to perform the conditions of the same.

The said leases and licences are hereby accordingly terminated, revoked, and annulled; and we hereby forbid you and all other persons to use the said machines or either of them hereafter, or to use any of the patents which by the said leases and licences you were authorized to use. And we hereby notify you that we shall by our proper agent, take possession of the said machines, free from any right, title, or lien of any nature whatsoever which you may have had prior to this cancellation, or which any other person may claim to have in the said machines.

UNITED SHOE MACHINERY COMPANY,

(Signed) R. L. ALLEY, Australasian Manager.

Senator MILLEN. — Does the honorable senator know what the breach of contract consisted in?

Senator TRENWITH.—The use of another machine.

Senator MCGREGOR.—The agreement was annulled because Henry Best obtained a machine which he thought would be more efficient, and set it up in the same room with the Goodyear machinery. It has been said that the notice for the termination of the contract was given not on that account, but because Best owed the company some money. But it is a very peculiar fact in connexion with this incident that, when the other machine was refused, the Goodyear machinery was allowed to stand there, and has been in operation in the factory every since. I have here a letter from Mr. Edward Fitzgerald to Henry Best and Company—

Imperial Chambers, Bank-place,
Melbourne, 15th February, 1905.

Dear Sir,—Referring to our interview with you this morning by the Melbourne manager of the United Shoe Machinery Company, when notice of cancellation of your lease from the company was served on you, and you forceably refused possession of the leased machines. I am now instructed to give you notice that if delivery of the said machines is not given to the local office of the lessor on or before Saturday next, the 18th inst., legal proceedings will be in-

stituted for their recovery—for all sums due and owing by you and damage for illegal detention.

Yours truly,

(Signed) EDWARD FITZGERALD.

This shows that what I have stated has been done. It may not have been done very often, but there is the one death at the crossing to which I referred some time ago. The one death has already taken place, and it requires only that the company should obtain a firmer foundation for their monopoly to make similar conditions applicable to every other manufacturer of boots and shoes in Australia. As a matter of fact, it is the fear that they may be deprived of this machinery, which, more than anything else, is making them dread the operation of a Bill of this description. But I say to the boot and shoe manufacturers of Australia that they need not be afraid. There is nothing in this Bill to prevent them using the United Shoe Machinery Company's machines, but, under this measure, although they may find it advisable to do so, they will not be bound to buy their fastenings and material from the company. On the other hand, there is nothing in the Bill which would justify the United Shoe Machinery Company, or any representative thereof, in withdrawing its business from Australia. It would only be placed on exactly the same footing as any other company. Yesterday Senator Symon indicated that this was the only machinery which could be used, and that it would be a calamity to the boot industry if the manufacturers were deprived of its use. It is necessary for those who hold a different view to prove that there is no occasion for alarm. I shall proceed to show that the industry can be carried on without this machinery. Messrs. Bedggood and Company, one of the largest boot manufacturing firms here, have addressed the following letter to the Melbourne representative of the Standard Rotary Company:—

We are very pleased to be able to answer your inquiry *re* the working of your machines by saying that they are quite up to what your company said they would be. In fact, we are better satisfied than we had hoped to be, seeing the difficulties that we were placed under by being the first who started this machinery in Australia. The old Goodyear machines that we were running are not to be compared with the machines you have supplied, and best of all, of course, is the fact that we have been saved from the pernicious royalty system. We bear no grudge against the Americans, far from it, but we don't like to put labour into making our

goods, and then divide the profits with an irresponsible party having the good fortune to control a few patented lines.

There is an instance of one of the largest manufacturers in this State being more than satisfied with British machinery, and that ought to please Senator Walker, Senator Fraser, and several other of the ultra-loyalists in this country. The only difficulty which the Standard Rotary Company, of Great Britain, finds in establishing the British manufacture here is the competition with the United Shoe Machinery Company, of America. It would have no difficulty in that regard but for the clauses in the agreement that compel the lessees of the American machines to employ no other machines in connexion with them. I have no grudge against the United Shoe Machinery Company. I only want the company to conduct its business in a legitimate manner. As far as I am concerned, it is welcome to remain in Australia, and to do all the business it can, until the day of judgment, so long as that business is done fairly, and in equal competition with our own people and the people of Great Britain. It may be said that it would never act unfairly. In order to show that the United Shoe Machinery Company has not acted fairly, I have brought here a copy of an affidavit made by Mr. William Marshall, who in 1901 had a large boot and shoe factory in Port Melbourne. It is as follows:—

I, William Marshall, of 30 Russell-street, Melbourne, formerly of Nott-street, Port Melbourne, shoe manufacturer, do hereby make oath and say that—

In the year nineteen hundred and one (1901) I entered into a contract with the United Shoe Machinery Company of America, for the leasing of a consolidated hand method lasting machine. One of the conditions of the lease was that I had to pay them about seventy pounds (£70) cash when the machine was installed, and thereafter a royalty of fifty-two pounds (£52) per annum (this is as far as my memory serves me).

The United Shoe Machinery Company further protected themselves by insuring the machine for the sum of three hundred or three hundred and fifty pounds, for which I was conditioned under the lease to pay the insurance premiums.

On 17th September, 1901, my factory was totally destroyed by fire, and in the general destruction the lasting machine was ruined.

The United Machinery Company not only collected the insurance on the machine, but, acting under another condition of their "lease," demanded and took possession of the "remains" of the machine, and would not make any refund of the original payment (seventy pounds), nor would they rebate anything out of the insurance money, which they collected, and the premium for which I had paid.

As far as I remember, the machine was installed only about two months prior to the happening of the fire. It had therefore hardly been used.

Declared before me this 19th day of July, in the year 1906.

C. J. HAM, J.P.

WM. MARSHALL.

Senator TRENWITH.—They insisted upon the letter of the bond.

Senator MCGREGOR.—The company extracted its pound of flesh, and all the blood it could get therewith.

Senator Lt.-Col. GOULD.—Has the company got the £300?

Senator MCGREGOR.—The company claimed the £300, and, I understand, got it. I have also a letter which still further confirms that of Messrs. Bedggood and Company. It is from a partner in the Marshall Shoe Company, whose premises at Port Melbourne were burned out. He says—

With reference to our conversation of yesterday—we are pleased to hand you this letter, and express the hope that its contents may be of some service in bringing home the fact that some very stringent provisions are necessary where "Trusts" are operating.

As we have already told you, it is our fixed intention to have absolutely nothing whatever to do with the United Shoe Machinery Company, or, in fact, with any "Trust" which handles business on the lines of that company.

We are not hesitating at all to enter upon a manufacturing scheme involving an outlay of at least £10,000 for building and plant, and providing for a turn-out of at least 8,000 pairs of men's welted shoes per week. We are not in the least disturbed to-day in a prospect of this kind, because we can buy outright shoe machinery from your company as well as from the German company, which will not only perform the same kind of work, but, moreover, will do it so that not even one of the United Shoe Machinery Company's experts could say definitely on which machinery the shoes had been made.

The most happy feature about the conditions under which we are going to work since we have been able to order from your company, machinery which does the same work as the United Shoe Machinery Company's welting plant—is that we can without any restriction, and as a matter of fact, have already ordered several machines from local machinists—such a proceeding would never be tolerated by the United Shoe Machinery Company—if they could supply any of those machines.

You know the stand they have taken with many of the manufacturers before now—in fact, their leases are in themselves quite sufficient evidence.

At any rate, what with the help we are getting from your company, as well as from the German company, and the privilege we now have of buying locally any machinery (not

patented)—we are not the least afraid of being unable to hold our own.

If we can furnish you with any further information, we shall be most happy to do so.

The position I want to put to honorable senators is that, in Richmond, the Marshall Shoe Company are employing the machinery of the Standard Rotary Company and other companies, and are installing machinery designed and manufactured in Victoria. Under the conditions I have read, it would be impossible for a lessee to instal the machinery of a Victorian manufacturer without the consent of the United Shoe Machinery Company, which, according to the conditions of the lease, would not be granted. The fact is that if a person in Victoria had the capacity to invent a machine equal or superior to any made by that company no opportunity for its use could be obtained except by selling to its representative the patent, probably for the price of a song. I wish to do away with that undesirable restriction, and to put shoe machinery manufacturers in Australia on the same footing as the manufacturers of similar machinery in other parts of the world. The only way in which that can be done is by preventing agreements such as I have indicated—that is, by passing legislation such as is proposed in the first part of this Bill. The boot manufacturers of this country have no cause for alarm. As they have been to Senator Symon, so they have been to me and other members of Parliament to submit their case. The very first objection they made to the Bill was in regard to clause 4. We were advised that, in order to make the meaning clear and definite, it was necessary to insert at the beginning of sub-clause 2 the words “after the passing of this Act.” We pointed out that the Government had already declared that it had no intention of interfering with existing contracts. I took the trouble to see the Attorney-General on the point. I would have seen Senator Symon, only that I did not think that he was under any obligation to tell me. In his speech he might have explained the position; but he did not do so, and therefore it was necessary that I, as a layman, should get legal advice, and get it as cheaply as possible. The Attorney-General thoroughly satisfied me that there was no necessity to insert the words “after the passing of this Act,” because the expression “in contravention of this section” is used in the sub-clause. He pointed out that nothing could be done in connexion with any contract made be-

fore the passing of the Act, because such a contract could not have been made in contravention of the section. He said that what was suggested was not a form of legislation which it was advisable to use. He added that to provide in a Crimes Act that “after the passing of the Act” murder would be an offence punishable by death would indicate that before its enactment murder would not be an offence at all. To enter into an agreement is not a crime, either morally or legally. Any agreements which had been entered into before the passing of the measure could not be interfered with, so that there is no necessity to use the words “after the passing of this Act.” A similar amendment was asked for in sub-clause 2 of clause 5. Now, if it is unnecessary in clause 4, it is also unnecessary in clause 5. It is made clear throughout the Bill that the evil must have arisen since its enactment before administrative action can be taken in connexion with a breach of any provision. I think it will be seen that it really provides for everything that is necessary. The same principle is embodied in clauses 8, 9, and 10. Senator Symon had very serious objections to the use of the expression “with intent.” I dare say that, if he moved an amendment for their omission, he would have the support of a majority of honorable senators.

Senator TRENWITH.—The reference is to a criminal offence.

Senator MCGREGOR.—That is why the expression is used. It is only used in the case of a criminal offence.

Senator MULCAHY.—What Senator Symon was dealing with was the difficulty of proving intent.

Senator MCGREGOR.—Yes. And the use of the expression “intent” is really not a blemish on this Bill at all, but is in favour of the very people whose cause Senator Symon has been advocating. I pass now to clause 15. If honorable senators, having read that clause, can prove to me that it is really necessary, I shall be prepared to support it. As I understand, if any person wants to be honest when he is doing something very doubtful, he can go to the Attorney-General, and put the conditions before him; the case can be advertised in the *Gazette*, and then if the transaction does take place the person will be in a better position than any one else. As I have said, if honorable senators are able to show

to hazy individuals like myself that that provision is necessary, I shall support it. Then we come to the clauses dealing with dumping. I might cite several cases of dumping to a limited extent which have occurred in Australia, but it is not my intention to weary the Senate with them. This legislation is only for the purpose of preventing dumping when it becomes an injury to the producers, workers, and consumers of Australia, and it will be admitted, I think, that it is legitimate for us to attempt something of that kind. Complaint has been made that the Comptroller-General of Customs is to take the initiative under this measure. Somebody must take the initiative, and I do not think that any one would be in a better position to judge of the effect of any importation than the Comptroller-General. He has to report to the Attorney-General, who has to give his sanction to proceedings. The Attorney-General would surely bring the matter before the Government. So that there is every safeguard.

Senator MULCAHY.—I do not think that that is much of a safeguard.

Senator MCGREGOR.—I will tell the honorable senator what is a better safeguard than any. If he looks at clause 26 he will recognise that the Comptroller-General will seldom do anything unless his attention is called to the necessity for taking action, or unless the case becomes so flagrant that he cannot shut his eyes to it. If statements are made to him that are likely to mislead him, clause 26 provides that the individual so offending may be fined £100.

Senator MILLEN.—Suppose the person complained of were one of the 6s. a week boys in Mr. McKay's industry?

Senator MCGREGOR.—Does the honorable senator think that the Comptroller-General of Customs is an idiot? Is it to be supposed that he would not read the Act, and would not know what his duties were? If a man, a boy, or a woman came to him to make complaints, would he not consider his or her position? The honorable senator can disabuse his mind of any apprehension as to the carrying out of the dumping provisions. I had no intention when I commenced to speak at the length that I have done; but seeing that such an influential member as Senator Symon occupied our time to such an extent yesterday after-

noon with contradictory arguments and sophistries, I thought it was necessary to deal fully with the subject. I hope that every honorable senator will give fair consideration to the Bill, and that when it passes the Senate it will be no worse, but a great deal better than it is now.

Senator MILLEN (New South Wales) [11.51].—When Senator Playford moved the second reading of this Bill, he assured the Senate that it had been carefully prepared by the Attorney-General, and that the other branch of the Legislature had bestowed an immense amount of pains upon it. I fail to understand the purpose of that assurance, unless it was an intimation to the Senate that we are expected to accept the Bill as a matter of form, and are under no obligation to examine its provisions closely. I have not assumed that the Minister meant that, but I can see no purpose in his statement unless it was a sort of appeal to us to accept the measure without very close criticism. No matter what amount of pains may have been bestowed upon the Bill elsewhere—no matter if the Attorney-General burnt midnight oil in the preparation of its provisions—in no sense can this branch of the Legislature shirk its responsibilities, unless it at once admits either dereliction of duty or incompetence to perform it. I wish to give one or two reasons why we should examine the measure very closely. The first is that it is a kind of legislation with which we are not familiar. It is, as far as we are concerned, a legislative experiment; and whether it may be for good or ill, it certainly does require that we should extend to it all the consideration of which we are capable. Another reason why I think it demands close examination, is that, although it has had all the care bestowed upon it to which the Minister of Defence has referred, it has already undergone several changes. In 1905, a similar Bill was introduced. In the early part of this session another made its appearance. Finally that was recast; and now we have this measure modified by amendments in the other House into the shape in which it comes before us. So that, in spite of all the pains and thought that have been given to the Bill, it is quite evident that there has been a process of uncertainty about its early stages; and that, I think, casts upon the Senate the obligation to look as closely into its provisions as we can in

order that, if it is to be passed into law, it shall be reasonably free from defects, and shall, as far as we can compass it, be effective in achieving the objects we have in view. I want, in criticising this measure—and I recognise the difficulty, to avoid to some extent treading upon the ever-present fiscal question; but I do desire to ask my protectionist friends—and I trust that I have some—to try to meet me upon a sort of neutral ground. I desire to approach it from the stand-point of one who, whether he believes in it or not, recognises that the policy of Australia, as represented by its Tariff to-day, requires that a reasonable amount of protection shall be given to Australian industries, and that a stimulus shall be applied to those industries by means of a Tariff. In no sense do I forego my free-trade views, but I am trying to indicate a ground upon which, I think, both free-traders and protectionists may meet for the purpose of considering whether this Bill is advisable or not, and whether it will accomplish what it professes to accomplish or will go beyond it. There are three principles which I desire to assert as those which I think ought to guide us in considering any measure coming before this Senate. The first of those three principles is, that it should honestly and clearly express its purpose, or, in other words, that it should not have an outward appearance and an entirely different inner meaning. The second is, that those responsible for the Bill should accept a maximum, and leave a minimum of legislative responsibility to those who are charged with its administration. The third is that we ought to legislate only after making ourselves acquainted and familiar with the utmost and latest information that it is possible for us to obtain. I think that no one will dissent from those, as three rules which may reasonably be accepted as safeguards in dealing with legislation. In my opinion, this Bill offends all three of those rules, and I shall proceed to show why. In the first place, I have stated that I think that legislation ought openly, and without ambiguity to state what its purpose is, and that the purpose which it professes to achieve shall be achieved, so far as we, being imperfect mortals, can attain that end. This Bill, I think, whilst aiming at one particular matter—and to that extent I am partly in sympathy with it—goes much beyond that end, and has a more immediate

Senator Milten.

purpose, which is not set out either in the title or in the protestations of those who are supporting it. It professes to be a Bill for the Preservation of Australian Industries, and for the repression of destructive monopolies. Now, so far as its clauses are covered by that title, I shall give it a cordial support. But I wish to point out that it has a much wider scope, and that, as I shall have to show, outside the clauses which I say are covered by its title, it means one of two things. It either means prohibition, or it means nothing.

Senator PLAYFORD.—“Nothing” cannot be one of two things.

Senator MILLEN.—It either means prohibition, or it is a piece of waste-paper.

Senator PLAYFORD.—The honorable senator may put it in that way if he likes.

Senator MILLEN.—I am always anxious to adopt the views of the Minister of Defence when they coincide with my own. I wish to point out the justification for the remark that the Bill either means prohibition or is so much waste paper. I invite honorable senators to turn with me to clauses 4 and 5. Those two clauses, for the purposes of my argument, may be regarded as one. The only difference is that one deals with corporations, and the other with persons; but their effect is the same. Therefore, although I deal with clause 4 only, my remarks cover clause 5 also. Clause 4 states that—

Any person who, either as principal or as agent, makes or enters into any contract, or is or continues to be a member of or engages in any combination, in relation to trade or commerce with other countries or among the States—

(a) with intent to restrain trade or commerce to the detriment of the public;

If the clause stopped there I should be entirely with it. It would accomplish the purposes for which the Bill has been brought forward—that is, the repression of trusts and monopolies. It would be an honest and straightforward way of dealing with the subject. But the clause goes further, and says—

(b) with intent to destroy or injure by means of unfair competition any Australian industry, the preservation of which is advantageous to the Commonwealth, having due regard to the interests of producers, workers, and consumers.

The language is beautiful, and the sentiment commendable. But we are dealing with something more than mere platitudes; and I desire to show the effect of this paragraph, if added to the earlier portion of

the provision. First let me point out that paragraph *a*, which has reference to the restraint of trade or commerce, would be quite sufficient to deal with every suggested instance of combination, pool, or trust in the country to-day. That paragraph would meet the shipping combination, if one exists, and also the Colonial Sugar Refining Company, if that be a monopoly.

Senator TRENWITH.—Does the honorable senator say that that paragraph would be sufficient, without the provision for any penalty?

Senator MILLEN.—I am not now making any suggestion in regard to the penalty, but drawing a distinction between paragraphs *a* and *b* of clause 4. Paragraph *a* is a general intimation that any contract or combination with intent to restrain trade or commerce to the detriment of the public is wrong, and will be repressed. That portion of the clause has my cordial support, because it comes fairly within the compass of the title of the Bill, and it would accomplish everything in the way of preventative or remedial legislation, that even the most ardent supporters of Australian industries could desire. But I am trying to show that the clause passes beyond the compass of an anti-monopoly Bill, and brings us dangerously near the line of prohibition when it contains the words of paragraph *b*, which I have read. I desire to justify and elaborate that position as briefly as I can. To enable me to complete my argument, I ask honorable senators to note clause 6, paragraph *b* of which—I leave out paragraph *a*, which has reference to a commercial trust—provides that competition is unfair when it “would probably or does in fact result in an inadequate remuneration for labour in the Australian industry.” I desire honorable senators to connect paragraph *b* of clause 6 with paragraph *b* of clause 4, and they will then see that it would only be necessary for those engaged in an industry to show that any line of importation would be detrimental to them, in order to prove that unfair competition existed, and to bring the importers under paragraph *b* of clause 4. Honorable senators, who are protectionists, if they want prohibition, should at least honestly say so, and submit a measure clearly providing for the prohibition of certain imports. But if that is not the desire of honorable senators, and even if there is a fault in the position I now put before them, I ask whether it would not be possible, in

a case where the workmen or employes of an industry—I leave the employer alone—were injured by any importations, or where it was feared they might be injured, to set in motion the machinery provided by this Bill, with the effect of absolutely stopping those importations? Do my honorable friends desire prohibition? I am not now saying whether prohibition is right or wrong; it may be extremely desirable, or it may not. I do not propose to argue the question; but I say that if prohibition is desirable it is incumbent on those who so believe, not to achieve it by a measure which ostensibly aims at something else, but to seek parliamentary and public sanction to a Bill which clearly prohibits the introduction of certain or of all imports. I know that I shall be told that it would be necessary before we could stop importations, to prove that the intent of those who were responsible for them was to destroy or injure, by means of unfair competition, any Australian industry. I desire to look at the word “intent” from two points of view. First of all, as shown by his interjections last evening and this morning Senator Trenwith evidently holds that it would be incumbent on the prosecution or the complainant to prove the intent. There are two ways of proving intent, so far as I know, though the ingenuity of Senator Trenwith may enable him to discover more.

Senator TRENWITH.—Two are enough, and one would be sufficient.

Senator MILLEN.—So far as I know, there are only two ways of determining intent; one is to judge by some clear admission on the part of the party charged, and the other is to judge by his act, and the consequences of his act. I shall first consider the former method, because Senator Trenwith seemed to lay stress on the extreme leniency and equity of the Bill when he interjected that the intent would have to be proved. Does any one expect to get a conviction against an importer if we have to prove intent by the first method? Does any one expect that any agreement made between an importer and a manufacturer in another country, or between parties here, would commence by setting out in the preamble that the undersigned so-and-so, “being desirous of injuring, by means of unfair competition, any Australian industry”? Does any honorable senator suppose for a moment that

such a declaration would be found in any preamble to an agreement?

Senator TRENWITH.—Not much!

Senator MILLEN.—I agree with the honorable senator for once. How can intent be proved except by the act and its consequences? If the honorable senator admits that—

Senator TRENWITH.—I cannot admit that.

Senator MCGREGOR.—Senator MilLEN may move to strike out the word "intent" if it so pleases him.

Senator MILLEN.—Senator McGregor was not here when I pointed out that, so far as the earlier portion of clause 4 is concerned, I do not care whether the word "intent" remains or not. My view is that whether "intent" be there or not, it will make no difference—that we must determine a man's intention by what he does, and the results of his action. I know of no other way in which we can determine intent in a criminal offence, unless, of course, a man makes a confession. But our kings of commerce are not generally the men to make confessions the moment they are confronted with an intimation that the Court desires their attendance.

Senator TRENWITH.—They will sometimes confess that the other fellow is wrong.

Senator MILLEN.—In that case some amount of credence may be attached to a confession. But, as we can judge intent only by the act and its consequences, it follows that where any importation does result in injury to an industry, we must assume that the man responsible for the importation intended that injury.

Senator TRENWITH.—Oh, no!

Senator MILLEN.—What is the alternative? How does the honorable senator propose to prove intent?

Senator TRENWITH.—I shall show later on.

Senator MILLEN.—I shall await with keen interest the flood of light which the honorable senator promises to shed on the matter. To me it seems that there are no other alternatives but those I have suggested; either we must look for some evidence on the part of the man himself—something he has written, said, or done—or we must be content to determine his intention by what he does and the results which flow from his action. That being so, we may discard all reasonable hope of ever finding any documentary or other admission on the part of those responsible for

the importation, that they a solely, or primarily, or even with a view to injuring an A dustry. They would not make sion even if it were true.

Senator MULCAHY.—Proba not be true.

Senator MILLEN.—We can the intention by the act and quences.

Senator TRENWITH.—Hear, h

Senator MILLEN.—I am gl orable senator applauds that sta

Senator TRENWITH.—But the senator said we could judge o consequences.

Senator MILLEN.—I said th judge only by the act and its co

Senator TRENWITH.—That is thing altogether.

Senator MILLEN.—According Bill, the act would be the import the consequence of the importat be to seriously disturb an indus cause, in the minds of those enga industry, a reasonable and perfec and understandable fear that the would be disarranged and their tion lowered. The moment shown, there would be proved an injure an Australian trade; there the result of the act, and from th we would have to judge the inten that be so, we would have abso lawful prohibition. The moment portation took place and there was in some little factory, no matt small, it would only be necessary employer to approach the authori point out that, as the result, his e would receive inadequate remun Thereupon the machinery of the Bi be put in force, which would ena authorities to prohibit the importati

Senator PLAYFORD.—Would enat not compel.

Senator MILLEN.—The interjec the Minister means that there would cation—that some people's goods we admitted, and other people's good out. Is that so? Is Mr. Hugh Vic McKay to have his way in this matte other individuals to be brushed away the Minister's doorstep? Surely the ister does not mean that.

Senator PLAYFORD.—The honorable tor is citing an instance in which a would have no case, and inferring th authorities would proceed

Senator MILLEN.—I say that under the Bill there would be an excellent case.

Senator PLAYFORD. — It might be only some little twopenny-halfpenny affair.

Senator TRENWITH.—There would be no case unless it were proved that the importation was with design to injure an industry.

Senator MILLEN.—I ask the honorable senator how he proposes to prove design, except by what is done, and the results which follow.

Senator PILSFORD.—Mr. McKay had no case, and yet see the result!

Senator MILLEN.—I shall await with a great deal of curiosity the explanation which Senator Trenwith has promised, showing some other means of determining the intention, except the two I indicated.

Senator TRENWITH.—Every one admits that there are those two means; but at another point, the honorable senator said that the consequences would prove the intent; and from that view I dissent.

Senator MILLEN.—I went through the various stages, and showed that the act would be the importation; that is, the first piece of evidence which would prove the intention of the importer. Or it might be the act of entering into an arrangement here with some one from the other side of the world, for the despatch of goods. The consequences of that act might be a serious disturbance, or a fear of disturbance—it would not be necessary to have an actual disturbance—in some one of those little struggling industries of which Senator Trenwith has constituted himself so ardent a champion. In such circumstances the Minister might come along and say—

Senator PLAYFORD.—But unless there was a case the Minister would not act.

Senator MILLEN.—But there would be a case under the Bill, inasmuch as there would be a fear in their minds—

Senator PLAYFORD. — There must be something more than a fear.

Senator MILLEN.—There would be a case, inasmuch as there would be a fear in their minds that the competition would result in creating substantial disorganization. In my early remarks I pointed out that there were three rules. One rule is that the Legislature in proposing legislation should accept a maximum of responsibility, and leave the minimum of responsibility to the administration. But Senator Playford's

interjection shows that it would be possible for the Minister to say, "Yes, Mr. McKay, come in; what can we do for you?" And then the Minister might turn round and say to another person, "We cannot listen to you; your case is not one which appeals to us."

Senator STANFORTH SMITH.—One is the "real McKay," and the other is not.

Senator MILLEN.—Exactly. I am sure that if Senator Playford were not a Minister in charge of this measure, and we were having a friendly chat in a more comfortable portion of the Chamber, he would be the first to admit that Parliament ought, as far as possible, to frame such laws as would render it impossible for any official or Minister to make "fish of one and fowl of another." The Minister must admit that as a principle.

Senator PLAYFORD.—But it must be departed from in cases.

Senator MILLEN.—I recognise the limitation placed on a gentleman who accepts the position of a Minister. The position has its advantages, but it also has the disadvantage that a Minister is often called upon to support measures containing principles which he is ordinarily not prepared to indorse.

Senator MULCAHY.—Has the honorable senator ever been a Minister?

Senator MILLEN.—The country has not yet had the benefit of my services in that capacity; but I ask the country not to despair. Before I pass from this matter, I should like again to emphasize the fact that if this Bill is honestly intended for the repression of destructive monopolies, and the preservation of Australian industries, and is not intended merely for the prohibition of imports, paragraph *a* of clause 5—

With intent to restrain trade or commerce within the Commonwealth, to the detriment of the public

will be sufficient to do all that is required, and that part of the Bill I cordially support. In further proof of my contention that this Bill—if it means anything, and if those who so ardently support it derive any hope at all from it—is a Bill to effect prohibition of imports, I return again to the dumping clauses. Honorable senators will see in clause 18 the same class of legislation as is provided for in clauses 4 and 5. In sub-clause 1 of clause 18, it is provided that for the purposes of this part of the

Bill competition shall be deemed to be unfair if—

- (a) under ordinary circumstances of trade it would probably lead to the Australian goods being no longer produced or being withdrawn from the market, or being sold at a loss, unless produced at an inadequate remuneration for labour.

That is proof again of the intent of a person to do something made wrong by this Bill. If a person imports, or, if honorable senators please, "dumps" goods in Australia, with the object of selling them at a lower price than will pay the Australian manufacturer of similar goods, the Minister is empowered at once to prohibit the importation of those goods. Here, again, there is a portion of the Bill which would have been quite sufficient to meet what is ordinarily understood by dumping, if the intention had not been to go beyond that, and provide machinery for the prohibition of imports at the discretion of the Minister. I ask honorable senators to turn to paragraphs *c* and *d*, of sub-clause 2 of clause 18. They will find that it is provided that competition shall be deemed unfair unless the contrary is proved—

- (c) If the imported goods have been purchased abroad by or for the importer from the manufacturer, or some person acting for or in combination with him or accounting to him, at prices greatly below their ordinary cost of production where produced, or market price where purchased.

- (d) If the imported goods are imported by or for the manufacturer or some person acting for or in combination with him or accounting to him, and are being sold in Australia at a price which is less than gives the person importing or selling them a fair profit upon their fair foreign market value, or their fair selling value, if sold in the country of production, together with all charges after shipment from the place when the goods are exported directly to Australia (including Customs duty).

Senator MULCAHY.—What is referred to in both of those paragraphs is done every day, and every hour of the day.

Senator MILLEN. — I am not saying whether they are right or wrong; but I say that those two paragraphs would be ample to provide for what is popularly understood by dumping—that is, the flooding of the market with the surplus products of other countries, or the bringing to our market of bargains picked up elsewhere. They would be ample to meet such cases, if those who are responsible for

this Bill were content with that. But they wish for machinery not merely to enable them to keep out the surplus products of other countries, but to treat as dumping the importation of any goods which, if sold here at a less price than similar goods manufactured in Australia, would threaten to disturb an Australian industry. That is proved by the use of the words in paragraph *a* of clause 18, describing unfair competition— if under ordinary circumstances of trade it would probably lead to the Australian goods being no longer produced.

That means that if any importer who has the audacity to attempt to bring into Australia a line of goods, no matter under what conditions they may have been produced, in such a way as to enable him to slightly undersell the Australian product, so as to cause a disturbance in an Australian industry, he may be dealt with under one or other of the provisions of this Bill, which enable the Minister of the day absolutely to prohibit the importation of such goods. Let me anticipate one objection which may be taken to that general statement of mine. Sub-clause 3 of clause 18 provides that—

In determining whether the competition is unfair, regard shall be had to the efficiency of the management, the processes, the plant, and the machinery employed or adopted in the Australian industry affected by the competition.

Here is another of those nicely-rounded phrases the full value and beauty of which I should readily appreciate on the platform. But what does it mean here? I say that we may have an Australian industry the management of which, and the processes, plant, and machinery in connexion with which, are as up-to-date as enterprise, skill, ingenuity and capital can make them, and yet it may not be possible for that industry to compete with the products of similar industries in older countries of the world, for the simple reason that the local market may be too small.

Senator PLAYFORD.—No such case could arise, because we should never have a local factory established under such circumstances. No one would establish a factory for such a limited market.

Senator MILLEN. — Then I put this question to the Minister: Do these conditions exist in all the industries in Australia? Are none of them ahead of the requirements of the country? Have we no industry the establishment of which has been a little premature? The honorable

senator, by his interjection, affirms that all the industries of Australia have been called for by the condition of things in the country, and that no one who has established an industry here has erred by being too enterprising, or misjudging the position.

Senator PLAYFORD.—I say that no one would establish a factory with perfect machinery unless he was satisfied that there would be a market for his products.

Senator MILLEN.—It has been repeatedly stated by the advocates of higher protective duties that, although the management of a local industry may be efficient, and its machinery up-to-date, it is not able to fairly compete with the products of similar industries imported from other countries.

Senator PLAYFORD.—Because wages here are so much higher.

Senator TRENWITH. — For instance, our tanners could not compete with the tanners of Ceylon, where men work for two annas a day.

Senator MILLEN.—That is exactly in accordance with what I am now contending, that, when any one attempts to bring goods here for sale at a lower price than that at which similar goods can be produced in Australia by efficient management and up-to-date plant, those goods will be prohibited.

Senator STANFORTH SMITH.—Is it not peculiarly the function of a Tariff Act to deal with that?

Senator MILLEN.—The honorable senator was probably not here when I pointed out that, if prohibition of imports is desired the honest and decent thing to do both by ourselves and the country is to come down with a Bill providing for their prohibition, and indicating the particular lines of goods the admission of which is regarded as injurious. The great advantage of the adoption of such a course would be that it would have the element of certainty. I do not suppose that the Government would in such a case submit a measure of one clause prohibiting all imports. They would be able to make a selection of the particular imports they thought should not be admitted, and by prohibiting their importation they would leave a large volume of other imports free from the uncertainty which this Bill undoubtedly creates, and free also from the opportunity for the exercise of that Ministerial preference or idiosyncrasy to which my honorable friend referred us just now.

Senator PLAYFORD. — When we tried to do it by the Tariff the honorable senator was in opposition to us, and would not let us do it, and when we try another way he is not satisfied either.

Senator MILLEN.—Then the Government are trying to do it by this means?

Senator PLAYFORD.—No, no; I did not say that.

Senator MILLEN.—I invite the attention of the Senate to the Minister's interjection. The honorable senator says that when the Government tried to do it—that is to provide for prohibition—by the Tariff we objected, and now, when they try to do it by this means, we object again. I thank the honorable senator for his admission. It is in perfect conformity with the interjection made by Senator Trenwith last night, and, as I shall show the Senate, it is in entire conformity with the statement with which Sir William Lyne presented the first of these Bills in another place in the session of 1905. Let me pass from that subject with this concluding remark: It appears to me that, under this Bill, the more effective outside production becomes the more the importations of that production will violate this measure. The more cheaply production is carried on outside, and the more cheaply goods from abroad are landed here, the more violently they will come into conflict with this measure, in which we are asked to say practically that no goods shall be imported here for sale at a lower price than that at which we can make and sell them ourselves. I put aside for the moment the question of trusts and monopolies, in connexion with which I am entirely with honorable senators opposite. My objection is to the power sought by this Bill to stop imports coming into this country and being sold at a slightly lower price than the products of Australian industries. I can give one or two instances, picked up quite casually of late, showing how this Bill might operate to the injury of legitimate trade. I have not looked for any of these instances, but I happened to be reading the newspaper the other day, and came across a telegram from a place called Coff's Harbor, a picturesque seaport of New South Wales. I found that a meeting of dairymen had been held there, and that a combination was to be formed between them and a gentleman who offered to put up a butter factory to facilitate the marketing of the dairy products of the district. This gentleman would enter into the

contract on one condition only, and that was that the dairymen would agree to give him the whole of their business for a fixed period. I say that that is an absolutely justifiable, beneficial, and business-like operation. But it offends against this Bill. A number of dairy farmers in the district, without any means of getting their products away to the markets of the world, are looking around for some one to provide them with a butter factory. I admit that it was competent for them to provide a factory by co-operation, but they do not appear to have been in a position to do so, or they preferred that some one else should establish the factory. A gentleman with capital comes along, and says, "I am prepared to erect a factory and to take on my shoulders the business of manufacturing your cream into butter, but I shall only invest my capital in the enterprise upon your undertaking to give me the whole of your business for a period of three or five years."

Senator PLAYFORD.—Whom would that injure? That would not be in restraint of trade.

Senator BEST.—Can the honorable senator point to any provision in this Bill which would prevent such a legitimate arrangement?

Senator PLAYFORD.—This Bill would not interfere with it at all.

Senator MILLEN. — One moment. There is no particular necessity for three or four honorable senators to become excited, or, if they must do so, let me suggest that they take it in turns. So far as I can unravel the cross-fire of interjections, I am asked to indicate the particular provision in this Bill which would be violated by such a contract as I have indicated. I say at once that clause 4 is violated as much by that proposal as by the shipping combine. The principle in the one case is exactly the same as in the other, and exactly the same as in the agreement submitted by the United Shoe Machinery Company, to which Senator McGregor referred. Senator McGregor quoted clauses of that agreement with the approval, apparently, of the Senate, under which the company undertook to supply machinery to individual manufacturers conditionally upon their undertaking not to do business with any one else.

Senator MCGREGOR.—And keeping a preference of 5 per cent.

Senator MILLEN.—That was a second point on which I agreed with the honorable senator, but I have referred to one which is sufficient for my purpose. I asked Senator McGregor to indicate the portion of the agreement which he was quoting, to which he objected. I agreed with the honorable senator in his objection to the preference of 5 per cent. The condition that any manufacturer shall be bound to deal solely with a certain person is the principle of the sugar combine, and the same principle is found in the instance I have just quoted.

Senator PLAYFORD.—The honorable senator said just now that he would vote for that part of clause 4.

Senator MILLEN.—Of course, I did.

Senator PLAYFORD.—And now the honorable senator says it will be injurious.

Senator MILLEN.—The honorable senator might have waited until I had finished my observation. I am pointing out that the Bill, as he admitted in reply to an interjection of mine, makes no difference between a beneficial trust and an injurious trust when they come under its operation. The reason why I bring up these matters is to show that whilst it may be extremely desirable to legislate in restraint of injurious combinations, there is a class of combinations which are not only beneficial, but, I contend, without fear of contradiction, absolutely necessary to the development of our commercial life. We must be careful that in trying to restrain injurious monopolies we do not also cripple or prohibit that useful combination of capital which is taking place in every direction. I wish the Minister to show me how, except by an act of Ministerial grace, he could differentiate in his treatment between the butter combine at Coffs Harbor and the United Shoe Machinery Company's agreement referred to by Senator McGregor? I now come to another matter, and here I get a little more clearly within the four corners of the Bill.

Senator BEST.—The honorable senator requires to.

Senator MILLEN.—I am not speaking with the slightest hope of carrying conviction to Senator Best, for in my wildest dreams I never anticipated that anything I could say would in any way influence his preconceived judgment. I need only remind honorable senators that the Bill singles out pools, trusts, and combinations for special treatment. I propose to

invite the Minister's attention to a particular matter, in order that immediately the Bill is passed he may take action to stop a certain importation, and if he ventures to do so I shall watch the result with interest. Not long since the Government of New South Wales invited tenders for the supply of 5,000 miles of rabbit netting from the manufacturers of the world. A combination, or, if it is preferred, a trust, of English manufacturers, put in a tender to supply the whole quantity, apportioning amongst themselves the proportion which each company should furnish. I believe that it comes nearer to the definition of a pool, as understood in America, than to anything else. This association embraces six well-known English firms, whose names I need not give. The Government accepted the tender, and shortly the netting will be shipped. The effect of its importation will certainly be to seriously disorganize the one netting factory we have in New South Wales. In two senses the contract will violate the provisions of this Bill. In the first place, the tendering association is a trust, combine, or pool on the other side of the world; and in the second place, the introduction of this netting at a price which is probably from 30 to 40 per cent. below the price of the local product, must seriously disorganize the one industry we have in Australia for the manufacture of that article, and even if it does not immediately disorganize it, it certainly will come within the clause which deals with importations, "probably" resulting in an inadequate remuneration for labour.

Senator MCGREGOR.—The honorable senator must remember that they need not combine in that way again.

Senator MILLEN.—I am giving two instances where I venture to say there has been a beneficial result from the combination. Will any honorable senator dispute that in both these cases the combinations are justifiable, desirable, and advantageous?

Senator MCGREGOR.—In the latter instance the companies might have tendered at a lower price if they had acted separately.

Senator MILLEN.—That, of course, is a matter with which I am not dealing. Under this Bill it would be competent for the Minister to prosecute in both those cases.

Senator STEWART.—It is to be hoped that he will.

Senator MILLEN.—My honorable friend must be seeking a revolution, because I venture to say that the Minister of Defence, at the head of his troops, would be necessary in order to prevent the landing of that netting at Sydney. It would be a repetition, in a reverse way, of the Boston episode of some generations ago. I do not believe that the Government would attempt to put the Act in force to prevent the carrying out of that contract, and, if it would not, I want to know where it would step in. If it is competent for the State Government to enter into a combination with a trust in England for the importation of netting to the serious disturbance of affairs in Ly-saght's factory in Sydney, and the Commonwealth Government is going to stand by, when will it step in? Is it also going to stand by when some individual attempts to do the same thing on, perhaps, a larger scale?

Senator PEARCE.—In some places, there are Wire-netting Boards, which are in a sense local governing boards, and occasionally they import wire-netting.

Senator MILLEN.—I do not know whether the Boards import, or whether the State imports for the Boards.

Senator BEST.—Usually the State imports.

Senator MILLEN.—In New South Wales and South Australia, the State imports, and in Queensland, I think, the State either imports or guarantees the accounts of the Board. It is immaterial, however, whether it is the State or the local governing Board that imports. There is the fact that the importation will take place, in direct violation of this Bill, should it become law. I venture to say that the Government would remain silent while the violation went on. It would not dare to move in a case of that kind.

Senator Lt.-Col. GOULD.—An individual might move though.

Senator MILLEN.—Is the Commonwealth Government going to remain inactive when a State Government breaks the law, and only to move when a private individual comes along to interview them? Are we to have further instances of Mr. McKay pouring his piteous tale into the too receptive ear of Sir William Lyne, or is the Government going to move? Surely there ought to be a clear indication laid down as to what might be done, and what might not be done. To pass a

measure of this kind, unless it is intended that it shall be carried out in its entirety. It is practically to say, "We will allow importations when the Minister approves, and we will prohibit them when he disapproves."

Senator Sir JOSIAH SYMON.—Really, it is making fish of one and flesh of another.

Senator MILLEN.—Just now the Minister made that admission in one of his happy interjections. He said that in many Bills the Parliament gave power to Ministers, but that they did not always exercise it, and that I took to be an admission that it was not intended always to put the stringent provisions of this Bill into active operation.

Senator Sir JOSIAH SYMON.—That is what is called the "new politics."

Senator BEST.—The Bill assumes a little common-sense on the part of the Minister as the Immigration Restriction Act does.

Senator MILLEN.—We all have a great opinion of our own common-sense. I have affirmed that the object of the Bill is to achieve not merely the repression of monopolies, but the prohibition of imports. I desire now to quote from a gentleman who should be an authority on this subject, and that is Sir William Lyne, who, speaking on the 13th December last, said—

I feel that no excuse is necessary for the introduction of the Bill, but if it were, it could be found in the statements published in the newspapers of the United States of America, showing dimensions to which enormous octopus trusts of that country have grown, and the harm which they have done, not only by their cheap exportations of manufactures to other countries, but by buying up and destroying the smaller internal business concerns of the United States.

Is this Bill required to restrain future exportation? Is it seeking to restrain Mr. McKay from selling his harvesters to the outside world possibly for less than he charges here? My honorable friends know that that is not the purpose of the Bill. It has been portrayed both outside and inside the Parliament as a measure to give increased protection to those engaged in the manufacturing industries. In a recently published address Senator Trenwith was very emphatic on the necessity of a Bill to give a larger measure of protection, in order to shield the local manufacturers.

Senator TRENWITH. — Hear, hear! A protectionist Tariff.

Senator MILLEN.—Exactly.

Senator TRENWITH.—A Protectionist Tariff, complete and effective.

Senator MILLEN.—My friend takes me back to the point where protectionists think that we ought to have such a Tariff as would amount to a tariff—

Senator TRENWITH.—The senator was professing to quote me, and I gave the instance in which I use the word "protection."

Senator MILLEN.—I accept the senator's statement, but subject to that I would say that in a recently published address my honorable friend did point out the necessity of having a Bill of this kind, not by stopping or checking imports, but by giving a larger market and protection to those engaged in our manufacturing industries. I do not propose to quote his exact words, but that is the substance of his address. I do not wish to dwell on the present occasion, but there will be a time for us to arise on a fiscal question. Those protectionists believe that we should have a measure of protection, even up to the point of prohibition, ought not to seek to achieve it by a subterfuge such as this Bill, but if it really had that object in view they ought to come down with an straightforward Tariff or a prohibitive proposal, so that both Parliament and the country could know what they were assenting to. In support of the view that the real object of the framers of the Bill is to deal with trusts and monopolies—I assume that it does that, and also to obtain a larger measure of protection without the direct mandating of the country, or without even the court informing the country of what they are doing, I shall now make a further statement from Sir William Lyne—

Surely it behoves us in this young Commonwealth to extend to our native industries a measure of protection than we have hitherto afforded. The protection which they at present enjoy is almost a myth.

That statement was made, not in suggesting a Tariff proposal, but in submitting an Anti-trust Bill to the other House, last December, and it is entirely in conformity with the interjection of Senator Trenwith. I do not propose to more than briefly allude to the genesis of the Bill, seeing that Senator Symon has dealt very fully and effectively with that aspect of the case, and I shall now merely reaffirm that we should never have had

of the Bill but for the very skilful American-like agitation which Mr. McKay launched upon this country. Apart from the fact that he haunted the lobbies at that time, we can trace his hand in a variety of newspaper paragraphs, and notably the one regarding the dismissal of his hands at Ballarat, as we know now, for the purpose of bringing them down to a district outside the operation of the Wages Board. We can see that he has not been slow to learn the lessons of the great American trusts of which he professes to be so much in fear.

Senator MCGREGOR.—I suppose it was because he was frightened.

Senator CLEMONS.—Of what?

Senator MILLEN.—The proper term to apply to Mr. McKay is not fear, but greed. There is no evidence that during the last few years he has not done an increasing and increasingly profitable business. If any of the figures which have been given, or any of the statements which have been made, are distasteful to Mr. McKay, he has himself only to blame, inasmuch as, whilst other manufacturers were prepared to submit their books for examination to the Tariff Commission, he discreetly refused. If, therefore, we use figures which are not strictly accurate, the fault is his own, and the remedy is in his own hands. That much is absolutely proved by the evidence given before the Tariff Commission. I am not speaking of evidence given by the importers, but by those connected with the manufacture of harvesters. First of all, it has been proved that there have been increased exports, and that the manufacturers have been making more money than they formerly did. May I ask what justification there is in that for paying too ready an attention to the complaints of Mr. McKay?

Senator MCGREGOR.—If what the honorable senator says is true, this Bill would not effect the harvester industry.

Senator MILLEN.—I say that under this Bill it will be open for the Minister, if he listens to Mr. McKay, to absolutely stop imports. Twelve months ago, or less than that, Mr. McKay told this Parliament, and caused paragraphs to be published—whether he was responsible or not, statements were made on behalf of those engaged in the industry—to the effect that there was to be a diminution of employment because of the importation of harvesters. Those statements were published

broadcast throughout the country in the journals devoted to the interests of protection. The *Age* re-affirmed them, and wrote leader after leader pointing out that in consequence of these importations the wage-earners' interests were seriously threatened.

Senator TRENWITH.—As a matter of fact that happened.

Senator MILLEN.—I will accept that statement. Senator Trenwith says that it is a fact that, as a result of importations, the wages in the industry were injuriously affected.

Senator TRENWITH. — That is, the amount of employment was lessened.

Senator PLAYFORD.—Four hundred odd machines came in which might have been made here.

Senator MILLEN.—But 400 machines went out of the country in competition with other manufactures; and it would have been quite competent for these people, who have a monopoly, which the honorable senator professes not to believe in, to sell their machines in the country, and not export them. My honorable friend said just now that the Bill would not affect the harvester industry. I am pointing out that if the Minister decides to carry it out literally the representatives of the employes who, as Senator Trenwith says, have been injured, can commence an agitation, and point out that, as the result of importations, their wages have been, or are likely to be, diminished, when the importations may be prohibited. I want to follow this a step further, and deal with the statement that wages were reduced.

Senator TRENWITH.—I wish to be perfectly correct. What I mean is that employment was reduced, but I do not allege that individual wages were reduced.

Senator MILLEN. — The honorable senator means that the total number of hands employed was less?

Senator TRENWITH.—I mean that in connexion with this branch of the industry employment was reduced.

Senator MILLEN.—In the making of harvesters, wages were reduced?

Senator TRENWITH.—Employment was reduced; fewer hands were employed.

Senator MILLEN.—But more machines were turned out.

Senator TRENWITH.—No.

Senator Sir JOSIAH SYMON.—Senator Trenwith means that if Mr. McKay gets a monopoly more hands will be employed.

Senator TRENWITH.—What I mean is what I said—that during last year fewer hands were employed on harvesters than in the previous year.

Senator MILLEN.—The evidence given before the Tariff Commission shows that more machines were made. The reason of the disparity is one that we cannot affect by any legislation which we pass; that is, that by the use of more efficient machinery you are bound to have a greater production with less employment of labour. That is what has happened in this industry. The honorable senator knows that as well as I do; and it is merely throwing dust in the eyes of the people to point to the fact that fewer hands were employed in making these machines, unless it is also pointed out that more machines were made. Let me quote from the evidence of the Tariff Commission. Mr. Moore was asked, in question 15901A—

Can you say of your own knowledge whether other firms are suffering loss from the operations of the Tariff?

His answer was—

None that I know of are losing.

Then some pertinacious questioner, whose identity is not revealed by the number of the question, asked (question 16175)—

Are you getting no more than the same rate of profit now that you did before?—

The answer was—

Perhaps a little more.

That is exactly what I should expect with more efficient machinery, when, although fewer hands are employed, more capital is put into a business. It may not then be an unreasonable thing to expect a little more profit. That seems to me to be only a natural consequence, and it applies to every business. Let there be no mistake as to what the manufacturers of harvesters want. The same witness was asked—

How do you put your case?

He replied—

Briefly, I claim that a duty should be imposed which would cause the importation of stripper harvesters to be discontinued.

That is an honest, straightforward, and clear declaration. Is this Bill the answer to it, and, if so, is it equally straightforward and clear? The manufacturers of harvesters who came before the Tariff Commission had no ambiguity about what they asked for. There was no deception, no cloaking of their real object. The agitation which we have had in reference to

the harvester question was part of the policy of these manufacturers to secure the prohibition of importations, and the answer to it has been the introduction of this Bill, which I venture to say, if it is put into operation, will absolutely insure prohibition. That is the object of it. On this subject of the inevitable tendency of capital to aggregate by means of superior machinery superseding inferior machinery, and that is what is taking place in the Sunshine Harvester Works, let me quote from this morning's *Age*—a journal which my honorable friends opposite will admit is occasionally right in its statements—

Senator TRENWITH.—I will admit that, even in the case of the honorable senator!

Senator MILLEN.—With all its astuteness, the *Age* of this morning publishes in a leaderette what is, from its point of view an unfortunate statement, having regard to the fact that the Senate has before it this very Bill. It says:—

Economic production in the last resort depends on the magnitude of the operations, and this points to concentration as the necessity of the times. How this works out may be seen in the fact that in the last ten years the men in the German iron trade have increased by 47 per cent., but their output has increased by 84 per cent. This is the result of improved machinery and concentration of effort. The result is that German wealth is multiplying at an unprecedented rate. The income assessable for taxation increased by about £27,000,000 in a single year. Germany is not altogether free from the unemployed problem, but the Fatherland has grappled with it much more successfully than England has.

That is exactly the case, and it is the one argument brought forward by those who, like honorable senators opposite, espouse the socialistic doctrine which occasions me serious thought. It is a recognition of the continually growing accumulation of capital which we are not going to stop by this puny piece of legislation.

Senator PEARCE.—It is only Mrs. Parthington's broom!

Senator MILLEN.—It is the one thing which we cannot deny, however much we may profess to explain it. It is there in spite of us, and in some way or other we shall have to deal with it. This Bill certainly fails to deal with it. I will cite one who surely ought to be able to speak with authority on the subject, namely, the President of the United States. His opinion will, at any rate, be accepted by the Minister, in view of the fact that my honorable friend referred us

largely to America. The President of the United States has indicated that the big trusts of that country cannot be dealt with by such legislation as the Government proposes in this case. The Minister here says that you can repress them. The President of the United States admits at once that you cannot. He points out, as the *Age* does in the article which I have quoted, that the trust is but the crystallization of that concentration and aggregation of capital which is going on everywhere, and he adds that to attempt to repress that movement is idle, and that our effort must be directed to regulate and control it.

Senator HENDERSON.—That means pure Socialism.

Senator MILLEN.—Well, as I have said before, that is the one point which has occasioned me serious thought with regard to the socialistic programme. It has occurred to the President of the United States, as it ought to occur to honorable senators, that it is impossible to sweep back the great economic forces which are at work by a piece of legislation like this. What you may do is to divert the tide of monopoly from one channel into another. You may stop the operation of monopoly from outside by creating monopoly inside, but you are not going to stop the aggregation of capital, or the concentration of effort, by any such means.

Senator MCGREGOR.—It is possible to control a monopoly inside easier than one outside.

Senator MILLEN. — The Americans have not found that to be so.

Senator PLAYFORD.—They are controlling the trusts in America now. Only recently the Court fined one man £3,000, and put him in gaol for three months.

Senator MILLEN.—As to what has happened in America, clearly Senator Playford has not been so closely watching events as would appear from his statement. If he had been, he might have noticed a discussion upon an Act recently passed by the United States which was aimed at trusts without mentioning them. I refer to a debate upon a Bill to enable the manufacturer of denaturized alcohol. The object of that Bill was largely to fight the Oil Trust by making the manufacture of alcohol free. It was admitted by those who supported the measure when it was going through Congress, and by the American press, that it would

strike the most effective blow yet attempted at that trust.

Senator CLEMONS.—That was not the sole object.

Senator MILLEN.—But the Bill would never have passed but for the desire to strike a blow at the Oil Trust. I do not mean to say that that was the only reason that was given, but it was the reason which influenced a number of votes and determined the issue.

Senator Sir JOSIAH SYMON.—It illustrates the fact that there is no better way of fighting a monopoly than by increasing competition.

Senator MILLEN.—Exactly, and that is what the United States Congress has done in this instance. I invite the attention of honorable senators to an interesting article in the *Scientific American*, published only two months after the decision of Congress, and which deals with a multiplicity of small inventions, having for their object the utilization of this product, to make it available to the various rural industries of the country. The article is published in the *Scientific American* for the 2nd June, and if honorable senators refer to it, they will find it to be informative.

Sitting suspended from 1 to 2 p.m.

Senator MILLEN.—Prior to the adjournment I had dealt with two out of the three principles which I suggested ought to guide us in our legislative work. I propose now, as briefly as I can, to refer to the third principle, which is that in our legislation we ought to act in the light of the fullest possible information we can obtain, or which is obtainable. In saying that this Bill does not meet with that condition, I refer, of course, to the fact that we are legislating now without that information which, with a short delay, would be made available to us as the result of the work of the Tariff Commission. That Commission has been sitting for some months, has travelled over a large portion of the Continent, and has taken a vast amount of evidence, and its labours are, at any rate, so far as a portion of the commerce of the country is concerned, nearly completed. It seems to me that after months have been wasted, or occupied, and the country has been put to the cost of thousands of pounds, it is not business-like for us to proceed to legislate until we have the advantage of such information as that

Commission can afford us. The Minister of Defence, in reply to an interjection on the subject, stated that he was a member of the Tariff Commission for a considerable length of time, and that, whilst the Commission had collected a little information, he could tell honorable senators that it was all in the one direction. Against that statement by the Minister of Defence, I remind honorable senators of the remarks made by Sir John Quick, the Chairman of the Commission, and by Mr. Fowler, a member, both of whom expressed the opinion that the information which would be made available as a result of the work of the Commission, would have an important bearing on the subject, and would be extremely useful to the members of this Parliament, and that it should be in their hands before they were asked to give a decisive vote on this Bill. I think we may safely take the two members of the Commission I have mentioned—who, unlike the Minister of Defence, are still members of the Tariff Commission—as the safer guides. Even if the Minister's statement be correct that the Commission has gathered only a little information—

Senator PLAYFORD.—That was while I was a member.

Senator MILLEN.—The Minister will see that I am not challenging his statement, but merely arguing the point. Even if we accept the Minister's statement that the Commission collected only a little information, it is better that we should have it rather than proceed to legislate on the no-information with which the Minister supplied us—a little is better than none. It is impossible, even by stretching the terms of courtesy to the fullest extent, to say that the Minister of Defence, in presenting the Bill, gave us any enlightenment as to the industries of the country. The honorable senator dealt with generalities, so far as our manufactures are concerned, and made a great many statements relative to America, but in no sense did he attempt or pretend to furnish evidence showing the condition of the industries which this Bill is supposed to assist. We should be only acting in a way that would commend itself to the common-sense of the people in anything but politics, if, having had this Commission at work at considerable cost for many months, we deferred our final consideration of the Bill, until its reports were in our hands.

Senator PLAYFORD.—This was all argued out in the other House.

Senator MILLEN.—Here we have the old argument again; and I am really surprised. I observe, with a great deal of regret, that at a time when there is a general tendency outside to overlook or ignore the Senate, we have remarks from a responsible Minister, and the leader of the Senate, that can only tend to confirm and strengthen that public opinion.

Senator PLAYFORD.—When a Bill is sent from the Senate, another place may say the same and does say the same.

Senator PEARCE.—Does it?

Senator MILLEN.—We can say anything; but it does not follow that because the Senate has dealt with a Bill, the other House ought in any way to shirk its responsibilities.

Senator PLAYFORD.—Decidedly not.

Senator MILLEN.—Nor does it follow that because the other House, so far as it is able, or according to its lights and wisdom, approves of a Bill, therefore we ought to accept that fact as abundant evidence that the Bill is all right, and that we have nothing to do but to pass it in a formal way. I have frequently placed before the Senate my view as to the position which this branch of the Legislature ought to occupy. We must be extremely optimistic if we shut our eyes to the fact that the Senate does not stand as high as it should in the public estimation. We shall still further weaken our position if we show, by assenting to such a suggestion as the Minister has made, that we are merely a Chamber to register the decrees of the other branch of the Legislature. However, I now return to my contention that we should deal with this Bill only after we have been placed in possession of that fund of information which the Tariff Commission must have collected. I desire now to show, in support of my plea for a little delay, that, even according to the Ministry, there is no urgency regarding this Bill. Senator Playford, in introducing the Bill, said—

I submit that it is a great deal better for us to place this measure on the statute-book now than to wait until the evil actually exists.

Sir William Lyne, in a newspaper interview reported on Monday fortnight, said—

It has three great principles. . . . First of all, it is a Bill for the future rather than the present. It aims at preventing restraint of trade.

Here are two admissions, one by the Minister in charge of the Bill in another place, and the other by the Minister here, that

this is a preventative measure, and is intended for the future rather than the present. Clearly, therefore, on the showing of the Ministry, there is no particular urgency; certainly no urgency which to my mind would justify us in finally dealing with the Bill until we have been placed in possession of the evidence which the Tariff Commission has collected. While quoting the utterances of Ministers, I cannot view without some measure of suspicion the remarkable change of front on their part regarding the urgency, or the want of urgency, of this measure. Although they now tell us that this is a Bill entirely for the future, and not for the present, the same Ministers were, only a few months ago, giving to the country quite a different story. Sir William Lyne, in December last, when introducing the first Anti-Trust Bill, said—

This Bill has been introduced to prevent the possibility of serious important trouble occurring during the next nine or twelve months.

In the same speech Sir William Lyne went on to say—

That precaution is taken for the purpose of preventing the wholesale importation which, according to the rumours we have, might otherwise take place. I must admit that they are only rumours, so far as the harvester question is concerned. We have no authentic information as to 2,000 harvesters being on the water or as to any number being made, but I have no doubt that a large number of orders have or will be given, and that unless we pass this legislation the machines will be here before next spring. . . Well, the spring has come and gone, and we have an assurance from Ministers now that this is a Bill for the future. Concluding that portion of his speech, Sir William Lyne said—

The first and best thing to do is to prevent an influx of the productions of those monopolies such as has already created trouble to many of our own people.

It is clear that Sir William Lyne contended that the trouble did exist, because he spoke of the "trouble to many of our own people"—the already created trouble. I shall not weary honorable senators with quotations, but I should like to remind them of the pathetic appeal made by the Attorney-General, when he implored Parliament not to go into recess without passing the Bill. The Attorney-General made the touching reference to imaginary consequences, that Ministers, like other honorable members, were extremely anxious to get away to enjoy their Christmas dinners, but that they dared not think of doing so when they knew that hundreds, and

thousands probably, were watching the fate of the Bill with anxiety, knowing that but for its passage there would be no Christmas dinner for them.

Senator PLAYFORD.—Figurative statements!

Senator MCGREGOR.—Call it "high falutin'."

Senator MILLEN.—Senator McGregor suggests that I should call this touching appeal "high falutin'"; but that is not the term I should apply to it. It was a statement made by a Minister nine or ten months ago, imploring Parliament to deal with the Bill as a matter of urgency. Now we are told by Ministers that this Bill is not at all urgent, but is for the future, and not the present. I admit that the courtesies of parliamentary life require one to place certain restraint on his language, but if this happened in commerce, or in any private transaction, would we not naturally view with some suspicion an assurance given by gentlemen who, within a few months, have turned such an absolute somersault? It seems to me, in view of the assurance that Ministers have given, that there is no necessity for the Bill now, and that if the Tariff reports be so nearly completed, there is something a little suspicious behind the undue haste with which we are asked to pass the Bill. It occurs to me that this haste probably arises from a fear on the part of the Government and their friends that the Tariff Commission's reports, instead of lending support to the measure, will possibly show that it is unnecessary, or that certain of its material provisions ought to be seriously amended. I ask Ministers and honorable senators to regard the Bill as they would a matter of personal interest to themselves—as it is, and as it ought to be—and to say whether in dealing with their private concerns, they would, after appointing some one to take evidence and report on a certain branch of their business, take action before receiving the report, which might have an important bearing on the matter. As business-like and common-sense people, we should wait until the report was in our hands before we decided to make any radical alteration; and that is exactly what I ask the Senate and Ministers to do in relation to this Bill. There is no necessity to tie our hands or delay proceedings if honorable senators assent to the view that this Bill ought not to pass

out of our purview until we have the reports of the Tariff Commission. We could agree to the second reading, and even take the measure through the Committee stage if we liked, or, having agreed to the second reading, we might suspend further progress until we have the reports. As a third alternative, we might have the delay at the third-reading stage. However, I ask honorable senators to assent to the proposition that this Bill ought not to leave the keeping of the Senate until we are fully armed with all the facts, figures, information, and recommendations of the Tariff Commission. I have dealt with certain of its provisions, and now I desire to draw attention to certain omissions. It seems to me that it is wanting in two very material factors. As a natural complement to the Bill there ought to be an ample provision to protect the employes engaged in the industries which are to receive benefit. Although there are clauses here which do connect the producers, the workers, and the consumers, it is obvious to those who look at the Bill quite apart from party considerations that there is no adequate provision of the kind to which I refer. On whatever side they sit, and to whichever party they belong, honorable senators will accept the proposition that whenever by legislation we seek to confer benefits upon those engaged in industries, they should not be conferred solely upon employers, but, as far as possible, be distributed fairly between employers and employes. I say that this Bill fails in that regard. Beyond the general clause, in which "workers" are referred to—and to which, in the light of what we heard yesterday evening, I might refer as a picturesque clause—there is nothing in this Bill to protect the rights and interests of the workers. Sir William Lyne, in dealing with this matter, said—

I shall not take any action to help the manufacturers in this or in any other industry unless I get an assurance that the price is going to be a reasonable one.

That is perfectly fair as between manufacturer and consumer, but this Bill does not contain any assurance of the kind. We have here no assurance that the manufacturers are going to charge only reasonable prices, nor have we any guarantee from them that their treatment of their employes will be equitable and reasonable. Both these objections to this measure should be remedied before it is passed by the Senate.

Senator Millen.

I am not quite clear on the point, but I believe an effort was made elsewhere to deal with this matter, and certainly if this is to be a complete and evenly-balanced measure it should contain some provisions of the sort. I may be met again with the statement that by the clause in which producers, workers, and consumers are bracketed, the interests of workers and consumers are fairly protected. But in answer to that, I point to the disclosures in the press to which Senator Symon referred yesterday, as showing that the condition of the employes in the harvester industry cannot be said to be satisfactory. It would be impossible to pass this Bill into law and deprive the proprietor of the harvester factory indicated of its benefits without at the same time depriving other manufacturers of harvesters, who are treating their employes fairly, of the same benefits. I at once admit the difficulty of dealing with the matter under the machinery here provided. But I do say that, if we are going to confer an increased measure of protection in the interests of the manufacturers, we should enact some provision which will guarantee that the employes in their factories will be fairly treated, and that the public will not be fleeced. Whatever this Bill may profess to aim at, we know that in practice it is those who are engaged in an industry who take an active part in appealing for fresh legislation or for the repeal of existing legislation, by which their interests may be affected. In connexion with certain cases brought before the Arbitration Court of New South Wales, Judge Heydon pointed out that a very erroneous impression prevailed, under which it was believed that employers and employes had only to arrive at an agreement for the apportionment of the profits of an industry between them in order to secure the sanction of the Court. Judge Heydon, however, said that it was necessary for the Court to interpose in the interests of the public, and he pointed out that, whilst unions of employers and employes were existing bodies in a position to come before the Court, and give expression to their views, the public was without organization, that there was no one to come forward on its behalf, and it was, therefore, the duty of the Court to step in and say that no arrangement should be made between employer and employe to the detriment of the public. I should like to

know what will happen under this Bill? Who will speak for the public in this matter? The only way in which we can protect the public will be by the adoption of some such provision as that enacted in Canada or in New Zealand — that where an effort is made on the part of the manufacturer to raise prices, there shall be a lowering of the duties, in order that external competition may be applied as a corrective to the action of the manufacturer, who, taking advantage of the protection extended to him, seeks to unduly fleece the public who may be compelled to buy from him. The Canadian Act provides that, in the event of any disadvantage accruing to the consumers, in the case of articles on which duties of Customs are imposed, the articles shall be placed on the free list, or the duty shall be reduced in order that the public may have the benefit of competition. That is a reasonable protection in the interests of the public. Unless honorable senators desire to place local manufacturers in a position to absolutely dictate prices to the local consumer, they will sympathize with the view I have expressed as to the necessity for providing some safeguard. If it should be said that the clause I have already quoted, in which producers, workers, and consumers are bracketed, is sufficient, I should like to ask why there is a special provision for the protection of the consumers of agricultural machinery. Sub-clause 8 of clause 21 provides that in the case of certain agricultural implements, which are set out—

the Justice shall inquire into and determine the question whether the goods are being imported, with the effect of benefiting the primary producers, without unfairly injuring any other section of the community of the Commonwealth.

That provision is in the interests of the consumers of agricultural machinery, but its insertion clearly proves that the clause in which producers, workers, and consumers are bracketed, is not regarded as affording sufficient protection to consumers who use agricultural machinery. A special measure of protection is extended to them, but why?

Senator MCGREGOR.—Because some honorable member in another place was playing to the gallery.

Senator MILLEN.—I admit Senator McGregor's competence to judge as to an art of that kind.

Senator Lt.-Col. GOULD. — Is Senator McGregor prepared to strike out that provision?

Senator MCGREGOR.—I am not particular. I do not think that it is necessary.

Senator MILLEN.—But if it is absolutely fair to direct the Judge to inquire into and determine the question whether goods used by the farming population are introduced with a view to benefiting the primary producers without unfairly injuring any other section of the community, it is equally fair to make similar provision in connexion with the importation of mining machinery.

Senator MCGREGOR.—It should be the same with respect to everything.

Senator MILLEN.—I quite agree with the honorable senator. I say that if it is decided to afford a greater measure of protection to local manufacturers, we should have a guarantee—and there is only one way in which we can have it—that they shall not be placed in such a position as to be able to unduly levy toll upon the consumers of the country, or to treat their workmen unfairly. These are two propositions which honorable senators are not likely to dissent from; but the question is whether they will be prepared to assist me to provide means by which such provisions as I have indicated shall be incorporated in this Bill.

Senator STEWART.—We have tried that often, and the honorable senator has never given us any assistance. We shall be glad to welcome him to the right side at last.

Senator MILLEN.—Unfortunately for the honorable senator's interjection, what he and his friends are always trying to do is what the Government are seeking to do under this Bill. I say that I am opposed to monopolies, and am willing to restrict and restrain them; but they add to their proposals provisions which cover very much more, and because I am unwilling to swallow the whole Bill, Senator Stewart wishes to make out that I am opposed to a particular portion of it. That is not a fair position to assume. I say that I shall be glad to be associated with any other honorable senators who agree with me in assisting the passage of that part of the Bill dealing with destructive monopolies, but I say also that we should provide some safeguard in the interests of consumers and workers if we

are to give increased protection to the manufacturers. Senator Symon last night referred to the uncertainty which a Bill of this kind would create in the minds of those engaged in commerce and industries generally. I do not propose to labour that point. I think it is accepted by everybody that the more definite and certain we make our legislation, the better it will be for all concerned. I wish honorable senators, if they believe that the time has arrived to shut out certain importations, to recognise the great advantage which would arise from a simple measure of prohibition as compared with the provisions of a Bill such as this. A measure prohibiting certain imports would, if passed, leave all other branches of trade absolutely free and unrestricted, and those engaged in them would have absolute knowledge that there was no law in existence threatening their interests. But if we pass this Bill, the object of which may be to prevent the importation of half-a-dozen lines of goods, we shall throw those interested in all other importations into a state of uncertainty. It is for that reason—and because I believe that it is highly desirable, in the interests, not merely of importers, but of all engaged in trade and commerce, and of the country, that we should reduce the element of uncertainty to an irreducible minimum—that I ask honorable senators to consider whether it would not be better for the Government to bring in a simple proposal, following the lines of the New Zealand Act, indicating the class of goods desired to be prohibited, and then leaving all other branches of importation to be dealt with by the Tariff. If that was not sufficient, I say that it would be far better for the Government to deal with this matter by the Tariff, which would afford a means by which Parliament itself might say to what extent importations should be controlled. To deal with the matter in this Bill is to leave it to outside influence, to political influence, to the personal equation of a Minister, and, it may be, to the varying attitudes of a jury, to say what shall be the law of the land. I do urge, in the circumstances, that it is extremely desirable that, instead of adopting this course, Parliament should itself take the responsibility of saying to what extent importations shall be prohibited or permitted. That can be done adequately and fairly by means of the Tariff. I desire now only to thank honorable senators

Senator Millen.

for the patience with which they have listened to me, and to repeat again that, so far as the provisions of this Bill provide for repressing destructive monopolies, and are aimed at any restriction upon the freedom of trade and commerce, I shall support them loyally and heartily. But, so far as those provisions are concerned, which to my mind, indicate either an electioneering placard, or which spell prohibition, I shall give the measure my unhesitating disapproval and my hostile vote.

Senator Lt.-Col. GOULD (New South Wales) [2.28].—I had hoped that some honorable senators on the other side who intend to support this Bill would have taken advantage of the opportunity to say a few words before the debate closes. One is led to believe that there is almost a conspiracy of silence, or a conspiracy of absence, on the part of honorable senators who are disposed to support the Government in this matter. It is not fair to the Senate that there should be a danger—as apparently there was, when after the question had been put, I rose—of the debate on so important a Bill being closed after one speech from the Minister in introducing it, a speech from the leader of the Opposition, another from the leader of the Labour Party, and one from Senator Millen. It is difficult to follow others who have spoken on the same side, and who have gone into the matter as fully and as clearly as Senator Symon and Senator Millen have done. In view of the fact that the Bill was debated in another place for a considerable length of time, and that there was very strong opposition shown to it, as well as strong evidence of support for it, it would be a mistake if we were to so belittle the position of the Senate as to admit that all that need be said here on the second reading of this Bill has already been said. It is only fair to the public generally that honorable senators should not only record their votes, but voice their reasons for adopting a policy which, although it might be expected to emanate from the Government, is absolutely new and experimental. Before a policy of that character is adopted we ought to know the opinions of the whole of the members of both Houses, so far as they can be expressed. Certainly there are no members of the Senate who are not quite capable of giving expression to their opinions if they see fit to do so. The unwillingness to speak, therefore, does not

come from unpreparedness or unfitness to discuss the question, but from a desire not to prolong the debate. It has been admitted by several honorable senators that the Bill contains some principles which might fairly be accepted by the country, but still they hold the view—and it is a view which I strongly support—that this is not the time to legislate in this way. It is utterly absurd for Ministers to come down and say, "We want to make provision against the possibility of something happening in the future," when there is no reason to believe that there is any probability of that thing occurring. For more than half-a-century responsible government has existed in Australia. During the whole of that time the citizens of each State have done the best they could in order to promote their own prosperity, and of course the prosperity of the country as a whole. But no State Parliament has ever been asked to legislate so as to prevent monopolies, or trusts, or combines, or to stop dumping, all of which things we presume are dealt with by this Bill. Of course, during that time we have had protectionist States. Victoria, for instance, went up to the high-water mark of protection. She seemed to consider that it was the policy which would best suit her interests, and best promote the interests of the community at large. How far it has done so is another question, and one on which I suppose there is a possibility of difference of opinion. I know that the protectionist policy of Victoria did not compare at all favorably with the free-trade policy of New South Wales. In my opinion, the best policy is to make the trade of a country as free as possible—that is, within reason—and not to try to coddle various little industries in order to protect a few individuals, or even in order, as might be imagined by some persons, to protect our own people solely and at the expense of the world. It will be found that a country cannot protect its own people in that way, and that they will suffer from the enactment of restrictive legislation. Let it always be remembered that Australia contains only a handful of people, and that until it gets a much larger population it will be utterly impossible for us to manufacture every possible article which may be required. No doubt if we chose to put a certain restriction upon trade we might do almost anything we liked for the benefit of a few individuals. Who are

the persons to be considered in connexion with any legislation—the handful of persons who are engaged in a particular branch of industry, or the people who are scattered throughout the length and breadth of the country? We are told that there is a certain number of persons engaged in the manufacturing industries. But we are asked to close our eyes to every other class. I ask honorable senators whether the bulk of the people in Australia are employed in manufacturing industries or in primary industries? No new country can be great unless it first of all develops its primary industries. Take the wool-growing, the farming and dairying, and the mineral industries. Are not these the industries upon which this country has been built up, and which sustain it to-day? I do not desire to belittle the importance and value of manufacturing industries, but I contend that, like a child, a country must grow gradually. In a young country we need to develop first the primary industries. Those industries which are natural to the soil should not be handicapped in order to benefit other industries which, under ordinary circumstances, would come into existence at a later date.

Senator TRENWITH.—In this Commonwealth, the State which has been most hampered is the most agriculturally progressive.

Senator Lt.-Col. GOULD.—I admit that for many years the State of Victoria was in the van of agricultural industry, but it only attained to a certain standard. Victoria had a small territory with convenient ports, but the larger Colonies, with their greater areas, had great primary industries to look after. So far as the pastoral industry was concerned, every State was ahead of Victoria, and, therefore, it developed its agricultural areas. But now we find that those States are developing their agricultural resources at a very great rate.

Senator TRENWITH.—Simply because of protection.

Senator Lt.-Col. GOULD.—No. Prior to the establishment of the Commonwealth, New South Wales—and I believe it was the case with other States—was pushing ahead, and had absolutely overtaken Victoria with regard to population and agricultural industries.

Senator TRENWITH.—No.

Senator MILLEN.—The big increase in the wheat area of New South Wales took place after Mr. G. H. Reid had repealed

the duty imposed upon wheat by the Dibbs Government.

Senator Lt.-Col. GOULD.—That is so, notwithstanding the immense distances which the wheat had to be hauled. Since Federation, we have established a system which may be regarded as protective. I presume that Senator Trenwith will say that, although it is not sufficiently protective, the system is not free-trade, but revenue-producing.

Senator TRENWITH. — A revenue-producing system which is incidentally protective.

Senator Lt.-Col. GOULD.—It has not been the means of increasing the prosperity of any one of the primary industries of this country. It has been shown that, in Victoria, wealth to the amount of £33,000,000 or £34,000,000 was produced last year, being an increase upon the wealth-production in the previous year. But in New South Wales, where the great pastoral industry and the great mineral industries, other than gold, are established, wealth to the amount of £45,000,000 or £46,000,000 was produced last year. The figures show that both States materially improved their positions during the year, but that was not due to any policy adopted by this Parliament. I do not know how much wealth was produced directly by the manufactures of Victoria, but I venture to say that it did not come to more than a third of the total, and that the other two-thirds must be credited to the purely primary industries. Although this is not directly, it is indirectly and very clearly, a Tariff Bill. It proposes to place the whole policy of this country in the hands of one man. The Minister did not attempt to say, "Here is a Bill under which, by the fiat of one man, we shall be able to establish a prohibitive Tariff and prevent the importation of certain implements which may be required for the country, in order to benefit a single manufacturer or a set of manufacturers." If he had made that statement to the Senate we can imagine what an outcry it would have raised throughout Australia.

Senator PLAYFORD.—It would not have been true if I had said it.

Senator Lt.-Col. GOULD.—I ask any honorable senator to read the Bill, and see whether, by the fiat of one man, it would not be possible to prohibit the importation of certain goods.

Senator TRENWITH.—The honorable senator said, "To benefit a single manufacturer."

Senator Lt.-Col. GOULD.—During the debate a great deal has been said in regard to a certain firm. If one-half of it is correct, there has not been too much said in derogation of the policy adopted by the firm. I do not wish, however, to deal with any particular firm, but to discuss the question on broad lines, and to inquire whether this is a measure which will operate in the interests of the community as a whole, or in the interests only of a special body of men. It has a history, and has appeared in various forms. In its original form it placed much more power in the hands of the Minister than it now does. In the other House certain alterations were made, notably, to enable a Justice of the High Court to deal with cases in particular instances. But the whole policy of the Bill has, from its inception, been one of prohibition and interference with the free play not only of commerce, but of a man's industry. That is not a policy which should be adopted by this country. Suppose that the introduction of harvesters has caused a fall in price of the local article, or a decrease in local production. Who has been the gainer? Are not the farmers to be considered? Are not the farmers amongst those who give life-blood to the whole of the Commonwealth?

Senator TRENWITH.—They would be the greatest gainers under the Bill.

Senator Lt.-Col. GOULD.—It would not benefit a single article which a farmer could produce. If the honorable senator could show that by raising the prices of agricultural implements it would benefit the farmer, then we might say well and good. If he could show that while the farmer would be called upon to pay £100 for an implement which he can buy to-day for £80, he would get £120 instead of £90 for his produce; then, perhaps, we should have to admit that the farmer would make a little gain.

Senator TRENWITH.—Will not the honorable senator show how the Bill would make the farmer pay £100 instead of £80 for his implement?

Senator MILLEN.—McKay showed that.

Senator TRENWITH.—No, he did not.

Senator Lt.-Col. GOULD.—By protection you artificially cause an increase of prices.

Senator TRENWITH. — Let the honorable senator show that.

Senator Lt.-Col. GOULD.—What is the object of protective duties?

Senator TRENWITH. — To maintain the home market for the home manufacturer, so that he may be able to work cheaper.

Senator Lt.-Col. GOULD.—How often has it been so?

Senator TRENWITH.—Always.

Senator Lt.-Col. GOULD.—Let the honorable senator take the records of the United States, and he will find that articles manufactured there are sold abroad at prices from 20 to 50 per cent. lower than are charged to American citizens. Perhaps the honorable senator means that, by means of internal competition, prices will be brought down?

Senator TRENWITH.—Yes.

Senator Lt.-Col. GOULD. — Then that means that, instead of a man getting 8s. per day for his labour, he will get, perhaps, 6s., as has been the case in Germany and other protectionist countries. If we contrast the rates of wages paid in Germany and England, and the prices paid by consumers in America and England, we find that the English wages are higher and the English prices lower in every case.

Senator TRENWITH.—A Commission from Germany showed recently that wages are as high in that country as in England.

Senator Lt.-Col. GOULD.—I venture to say that, if the honorable senator examines the facts closely, he will find that they are not so strong as he seems to imagine.

Senator PLAYFORD.—The statements are made by labouring men.

Senator Lt.-Col. GOULD.—A great deal depends upon the preconceived opinions of those who are placed upon Commissions. Has there been any demand for legislation of this description? In the States before Federation, no such Bill as this was attempted to be passed. Senator Millen has quoted a statement by the Attorney-General that numbers of people would be unable to get their Christmas dinners for want of a measure of this kind. But we went into recess without passing the Bill then before Parliament. It has been reintroduced in an entirely different form. That shows that there was a mistake in regard to the original measure. Then take the Chambers of Commerce throughout Australia. Not one of them has pronounced in favour of this Bill. Are not the representatives of the Chambers of Commerce men who are

interested in this country? Is it to be supposed that they would oppose any measure which was essential for the welfare of Australia? I decline to believe it.

Senator KEATING.—Chambers of Commerce are more prone to pass condemnatory resolutions than otherwise.

Senator Lt.-Col. GOULD. — Unfortunately they have too much occasion to do so. The Chamber of Commerce of Sydney is composed of men who are vitally interested in the prosperity of this country, as well as, of course, in the prosperity of their own businesses. The chairman of that body said, as one of a deputation that waited upon Mr. Carruthers—

The Chamber has studied this Bill very carefully. We are convinced that it cannot fail to promote constant litigation between the public and the Department that has it in hand. It seems to us that this Bill will create so much uncertainty that the mercantile community will be rather afraid to carry on their ordinary business.

That is not a random statement. It is made by a gentleman in a responsible position, after due consideration. It is incumbent upon this Parliament to consider opinions of that kind. I admit that no petition has been presented to the Senate against the Bill. But here is an expression of opinion from a deputation which waited upon the State Premier, regarding him as being concerned in everything pertaining to the well being of New South Wales. Mr. Carruthers, in reply, admitted that this matter came within the ambit of the Federal Parliament, and said that he could not interfere. He told the deputation that they must approach their representatives in this Parliament. No exception can be taken to Mr. Carruthers' statement in that respect, though I dare say that if he expressed his personal opinion it would be strongly condemnatory of this Bill. It may be asked whether the statement of the Chairman of the Chamber is justified. The whole Bill bristles with reasons why we should say that it is. Under this Bill it will be an offence to enter into any contract or be a member of any combination

with intent to restrain trade or commerce to the detriment of the public.

But it is a common law offence to do anything to restrain trade to the detriment of the public. The law may not be so strong as some honorable senators would like it to be, but this Bill goes too far altogether. Then again, it is to be an

offence to destroy or injure any Australian industry

the preservation of which is advantageous to the Commonwealth, having due regard to the interests of producers, workers, and consumers.

Then we have clause 6, which deals with unfair competition; and amongst other things it provides in sub-clause 2 that—in determining whether the competition is unfair regard shall be had to the efficiency of the management, the processes, the plant, and the machinery employed or adopted in the Australian industry affected by the competition.

That is a direct incentive to people not to keep themselves abreast of the times by utilizing labour-saving machinery or adopting efficient processes.

Senator TRENWITH.—Surely it has the very opposite effect.

Senator Lt.-Col. GOULD.—Say that there is a factory which manufactures some particular article in Melbourne, and that it has allowed its machinery to get a little bit out of date. Say that another manufacturer in New Zealand makes the same article with up-to-date plant and machinery.

Senator PLAYFORD.—In that case no action could be taken under this Bill.

Senator Lt.-Col. GOULD.—The Bill says that regard shall be had to efficient management. The Melbourne factory may have a manager who is as efficient a man as can be obtained, but the New Zealand factory, in addition to having improved plant, may be managed by a man of superior calibre. The consequence will be that it will be held that the New Zealand product competes unfairly with the Melbourne article.

Senator PLAYFORD.—No, there is no redress in such a case.

Senator Lt.-Col. GOULD.—But the Bill attempts to give redress if the Australian manufacturer says "It is quite impossible for us to compete with the importer."

Senator TRENWITH.—The manufacturers must keep up-to-date, or they will get no redress under this Bill.

Senator Lt.-Col. GOULD.—I maintain that the measure will operate as a direct incentive to inefficiency. Then, take this case: With a limited population, there is naturally limited production. Where there is a great population there is great production, and the manufacturers are able to send large quantities of goods out of the country at a cheap rate. But this Bill practically says that goods so cheaply manufactured shall not be allowed to come

into Australia. Is that fair? It may be advantageous to the individuals who are producing articles in small quantities, but is it advantageous to the public? In whose interests ought we to legislate? We ought not to pass Bills for a mere handful of people engaged in any particular industry. No doubt if we pass Acts which enable manufacturers to charge a high price, and to have the market for themselves, it will be possible for some of them to say, "We are finding employment for your sons and daughters"; and possibly one or two of them will be able to engage a few more hands. But that will not show that the legislation is beneficial to the country generally. This Bill will operate most unjustly to the consumers for the fanciful advantage of a few manufacturers. Coming to the question of dumping, what are we asked to do? We are asked to restrict competition. Take a case that occurs every day: Goods made for a particular season are sold at perhaps 50 per cent. less when the season is over. Would it be fair to attempt to interfere with particular sales, such as are held by all storekeepers, particularly by those in a large way of business? Would it be fair to prevent those storekeepers from disposing of out-of-season goods, simply because a number of small storekeepers had not been able to dispose of similar goods, and could not afford to make a sacrifice sale? In the old country, a manufacturer might have in stock certain goods which were not quite up to his standard, and, as in many similar cases, he might desire to dispose of them for what they would fetch. Frequently such goods are sent out to Australia, and though not of quite first-class quality, are still good enough for the people to purchase.

Senator GUTHRIE.—Not good enough for England, but good enough for Australia!

Senator TRENWITH.—Australia is a good rubbish heap!

Senator Lt.-Col. GOULD.—For that matter, so is Great Britain and every country in the world. For instance, there might be a carpet of good solid manufacture, but containing a single blemish. That carpet would be just as comfortable and convenient on the floor of Senator Guthrie's house or my own as a more expensive article; and it would be very wrong to describe it as

rubbish, because, on account of the blemish, it could be sold at a low price. Under the Bill, however, such an article would come within the meaning of dumped goods, on the ground that it could not be produced at the price at which it was sold. If the desire be to make Australia an expensive place to live in, by all means let us have this kind of legislation; but we must remember that the additional expense would fall on people who, in their own industries, would not get one penny more for their productions. If Australia were made an expensive place to live in, would the pastoralist get one farthing more for his wool in Great Britain? Would the wheat-grower get 1d. a bushel more in London? Would the producer of minerals be any better off? We know perfectly well that the prices of all these primary products are regulated outside the Commonwealth. In none of the primary industries can we regulate prices; and these are the industries in which the majority of the people are engaged, and which represent the bulk of the wealth of the country. Is there a desire to drive people from primary industries into manufacturing industries? As I said before, I have no wish to belittle manufacturing industries, which must develop in the natural course of events; but, at the same time, we need not drive the people into factories sooner than is necessary. Where do we find the bone and sinew of the country? Not in the factories.

Senator GUTHRIE.—In the blacksmith's shop.

Senator Lt.-Col. GOULD.—In the blacksmith's shop, and on the farm — amongst the men who are engaged in the pastoral, agricultural, and mining industries.

Senator TRENWITH.—How many are employed in the pastoral industry?

Senator Lt.-Col. GOULD.—A great many more are engaged in the primary industries than in the manufacturing industries.

Senator TRENWITH.—I am asking as to the pastoral industry.

Senator Lt.-Col. GOULD.—I have already said that I am not in a position to give the absolute statistics in regard to particular industries; but I know that, at least two-thirds of the people of this country are engaged in primary pursuits; indeed, I doubt whether as many as one-third are employed in manufacturing.

Senator GUTHRIE.—The transport industry is a big one, and it is neither primary nor manufacturing.

Senator Lt.-Col. GOULD.—Yes, and how is the transport industry kept going, except by the primary industries?

Senator GUTHRIE.—It is very largely kept going by the manufacturing industries.

Senator TRENWITH.—More largely than by the primary industries.

Senator GUTHRIE.—I would not say that.

Senator Lt.-Col. GOULD.—The primary industries constantly employ the transport industry. I should like to draw the attention of Senator Trenwith and others to the statistics given in the paper which has been circulated, dealing with trust and anti-trust legislation in the United States and Europe. In that paper, there are shown the prices given for various articles in the United States, as compared with prices given for the same articles in foreign countries to which they are exported. For instance, wire nails manufactured in the United States are sold in the home market at \$2.05, and in the foreign market, at \$1.30 per 100 lbs.; galvanized wire rope is sold in the home market at \$9.70, and in the foreign market at \$3.12 per 100 feet; table knives are sold in the home market at \$15, and in the foreign market, at \$12; farm waggons are sold in the home market at \$65 as compared with \$39 in the foreign market; sewing machines are sold in the home market at \$45 as against \$27 in the foreign market; and steel rails are sold in the home market at \$28 as compared with \$23 in the foreign market.

Senator MILLEN.—Every one of those articles has a heavy protective duty in its favour.

Senator Lt.-Col. GOULD.—Tin plates, typewriters, lawn mowers, and other articles show similar differences in price, proving clearly that the cost is enhanced to the consumer in the home market.

Senator GUTHRIE.—We cannot buy in Australia to-day an American typewriter at anything like the price at which it is sold in America.

Senator Lt.-Col. GOULD.—I can only quote from the information which has been placed before us officially.

Senator GUTHRIE.—I know from experience.

Senator Lt.-Col. GOULD.—According to the paper from which I have quoted, typewriters are sold in the home market at

\$100, and in the foreign market at \$55 to \$65. The price all depends on the quality and make of the typewriter; but I venture to say that I could get an American typewriter in Australia to-day for less than \$100. Under this Bill, the Minister may determine to prohibit the importation of particular articles; and, that being so, would he not be able, if he thought fit, to direct prohibition in order to benefit one, two, or three particular firms at the expense of the consumers of the article in question?

Senator PLAYFORD.—The Minister could not do that, because the question would have to go before the Judge.

Senator Lt.-Col. GOULD.—The Minister and the Comptroller-General are given power to do a certain thing.

Senator PLAYFORD.—Only to make preliminary inquiries.

Senator Lt.-Col. GOULD.—I observe that in certain cases the Attorney-General has to give permission before proceedings are taken, but in other cases no permission whatever is necessary, any individual being at liberty to institute a prosecution. I am speaking as to the provision dealing with the intent to restrain trade or destroy industry.

Senator PLAYFORD.—I thought the honorable senator was referring to the question of dumping.

Senator Lt.-Col. GOULD.—In regard to the offences for which a penalty of £500 is provided, any individual in the community may set the law in motion.

Senator PLAYFORD.—I understood the honorable senator to be referring to dumping, and it was to that part of the Bill my remarks were confined.

Senator Lt.-Col. GOULD.—In regard to dumping, a certificate is to be obtained from either the Attorney-General or the Comptroller-General—I am not sure which—before proceedings are taken; but in regard to the repression of monopolies, any one may institute proceedings, and cause a great deal of difficulty and expense to the individual who is made the defendant. Such proceedings may, or may not, be malicious; and it is not of much use to talk about there being a remedy afterwards, when the person against whom the remedy is sought may be a man of straw. If we are to have this kind of repressive and restrictive legislation, it ought to be hedged round with protection for the individual;

and before proceedings are taken, it should be necessary to obtain the permission of the Crown Law officers.

Senator GUTHRIE.—Would not the Comptroller-General consult the Crown Law officers?

Senator Lt.-Col. GOULD.—In regard to the repression of monopolies, there is no restriction—any person may lay an information.

Senator TRENWITH.—But any person cannot start a prosecution.

Senator Lt.-Col. GOULD.—No proceedings should be taken except directly by the Crown Law officers. A man might give information to the Crown, but he ought not to be at liberty to take proceedings without the authority of the Attorney-General for the time being.

Senator PEARCE.—Does clause 10 not cover the point

Senator Lt.-Col. GOULD.—That merely refers to an injunction.

Senator WALKER.—Is it not the intention to have a certificate from the Attorney-General.

Senator Lt.-Col. GOULD.—I do not know what the intention is, but if there is not already a provision of the kind, I hope honorable senators will see that an amendment is inserted providing that the authority of the Attorney-General shall be necessary for a prosecution.

Senator PEARCE.—Clause 14 provides that no criminal proceedings shall be instituted, except with the authority of the Attorney-General or some person authorized by him.

Senator Lt.-Col. GOULD.—It is possible that that clause provides what I desire.

Senator PLAYFORD.—A person injured may, according to clause 11, go straight to the High Court.

Senator Lt.-Col. GOULD.—That is an ordinary common law action.

Senator PLAYFORD.—As under the Sherman Act, the Attorney-General also may go to the High Court and obtain an injunction.

Senator Lt.-Col. GOULD.—A great deal has been said in regard to the question of intent; and there is no doubt that it would be most dangerous to have legislation which would punish people for offences they never intended to commit. In criminal matters there must be an intent to do wrong, coupled with an act; and, therefore, it was

wise to make this provision for the proof of intent, in order to provide some kind of protection for the individual who might inadvertently commit an offence. There is no doubt that under other legislation people have been severely punished for technical breaches of the law, which were presumed to be crimes; and even under the Bill, as it stands, a certificate given by the Comptroller-General in certain cases is to be taken as *prima facie* evidence of certain acts, and the onus of proof to be thrown on the defendant. Clause 18 provides—

(a) In the following cases the competition shall be deemed unfair unless the contrary is proved :—

- (a) If the competition would probably or does in fact result in an inadequate remuneration for labour in the Australian industry :
- (b) If the competition would probably or does in fact result in creating any substantial disorganization in Australian industry or throwing workers out of employment :
- (c) If the imported goods have been purchased abroad by or for the importer, from the manufacturer or some person acting for or in combination with him or accounting to him, at prices greatly below their ordinary cost of production where produced or market price where purchased :
- (d) If the imported goods are imported by or for the manufacturer, or some person acting for or in combination with him or accounting to him, and are being sold in Australia at a price which is less than gives the person importing or selling them a fair profit upon their fair foreign market value, or their fair selling value if sold in the country of production, together with all charges after shipment from the place whence the goods are exported directly to Australia (including Customs duty).

In all these cases, the competition is to be deemed unfair until the contrary is proved, that is to say, the Bill throws the burden of proof on the defendant. I say that that is unfair and unjust.

Senator BEST.—It is done in the Customs Act.

Senator Lt.-Col. GOULD.—It is, and it is done most unjustly and unfairly in the Customs Act also.

Senator BEST.—These provisions are to be found in Customs laws all over the world.

Senator Lt.-Col. GOULD.—I am well aware that very strong powers must be placed in the hands of Ministers to insure the proper control of the Customs. I am aware also that those powers can be

abused, and I am very sorry to say that they have been seriously abused in the Commonwealth. I therefore object to the perpetuation of a system which appears to me to be contrary to all principles of justice and fairness. Under this Bill, we are asked to say to importers, "You are guilty of unfair competition, and it is now for you to prove that you are not." It is proposed that the authorities shall affirm that the importer is guilty of unfair competition, and that he shall have to prove a negative. I repeat that that is neither fair nor just. We have claimed from this side that no reasons have been given to show any necessity whatever for the introduction of this Bill. The only attempt made by honorable senators opposite to meet our contention has been to allege that certain monopolies exist in connexion with the tobacco industry, the shipping industry, and the Colonial Sugar Refining Company. At the same time, it is admitted that monopolies may be beneficent, and that their operations may be of advantage to the community at large. I join issue with honorable senators who claim that the enterprises to which they have referred as monopolies are monopolies in the strict sense of the term, or that their operations are dangerous to the interests of the community. A number of men are the pioneers of an industry, and as soon as it becomes successful, we invariably find some persons ready to cry out that it has become a monopoly. If we desire that this shall be a progressive and prosperous country, we should be prepared to help individuals in every way we can to make their enterprises successful; otherwise persons who are disposed to be energetic and enterprising will lose heart, and will not strive to benefit themselves or the country. The industries which have been referred to by honorable senators opposite are largely Australian industries built up by honest effort, and, instead of attempting to pull them down, we should rather assist them in every way we legitimately can.

Senator BEST.—That is the intention of the Bill.

Senator Lt.-Col. GOULD.—If it is, I hope that it will be carried out, but, before I resume my seat, I must enter my protest most emphatically against the excessive amount of legislation with which the Commonwealth is being inundated. Parliament is not constituted merely for

the purpose of passing legislation, whether it is required or not. Not only the Commonwealth, but some of the States, would be very much better off with a great deal less legislation than they have had, and a great deal more of careful administration calculated to make Australia attractive to people in whatever industry they may be engaged. Instead of adopting that course, we are hampering industry, and putting everything into leading strings. We are placing in the hands of men possessed of no practical knowledge the power to regulate and control all the industries of the Commonwealth. I ask honorable senators to consider the men who have occupied positions as Ministers of the Crown in the Commonwealth, and to point out the "Admirable Crichton" amongst them who has personally known what was best to be done in the conduct of the industries which, by our legislation, we have absolutely placed in fetters. Whilst I should be prepared to assist the Government at all times to put down abuses and injustice wherever they are found to exist, I shall not be a party to the passing of legislation conferring powers of the most drastic character upon Ministers in anticipation of something which may happen. When these evils arise, it will be time enough to deal with them, and we must then be careful not to pass legislation which is likely to have the effect of injuring industries of value to the country. My determination in regard to this Bill is to vote against the second reading, and, should it pass that stage, and go through Committee, I shall probably be found dividing the Senate on the third reading, because I consider that it is entirely unjustifiable, and unnecessary, and an absolute interference with the rights of individuals, which should not be attempted by any Government or Parliament that has any respect for the welfare and liberty of the people over whom they are called upon to preside.

Senator WALKER (New South Wales) [3.24].—After the speeches which have been delivered by Senators Symon, Millen, and Gould, it is scarcely necessary for me to say anything on the second reading of this Bill. But there are one or two points to which I propose to briefly allude. I agree with those who have already said that this is really a prohibition Bill. I dread the introduction in a great country like Australia of anything approaching the

prohibition of imports. Those who desire such prohibition should have the manliness to bring forward a proposal to amend the Tariff in that direction. The Bill so clearly infringes individual liberty that I propose to give the Senate the benefit of a few lines from Professor J. Shield Nicholson, Professor of Political Economy in the University of Edinburgh. He says, on the subject of liberty—

But do you think that any strength of imagination, or any persuasiveness of words, could induce the people who had felt the benefits and the manliness of liberty again to submit to slavery in any shape or form? Do you think it would reconcile them if their masters were to be a central assembly elected by themselves, with committees and sub-committees *ad infinitum* until we reach the state-bailiffs, overseers, and managers chosen, we will suppose, by competitive examination?

The opposition between real progress and ideal Socialism on this question of liberty cannot be shown by one example, or even by many. It is an opposition that is marked throughout. Slavery, large as it looms before us, is but one example. Liberty is as essential to the reason as to the spirit of mankind. Every revolution in science, every radical invention in mechanical appliances, has, in the past, been opposed by some form of authority, if it be only that most deceptive but most oppressive of all—public opinion.

Senator PLAYFORD.—Has not some one said—

O liberty! liberty! how many crimes are committed in thy name!

Senator WALKER.—Senator Symon last night informed us that the earning power per head of population in Canada is £16 5s.; in New South Wales, £14 14s.; in the United Kingdom, £7 18s. 6d.; and in Victoria, £27 19s. 6d. That shows the absolute non-necessity of this kind of legislation, especially as regards Victoria. Yet Victorians are, I suspect, the greatest sinners in desiring it.

Senator GUTHRIE.—Why call them sinners?

Senator WALKER.—Perhaps the honorable senator would prefer that I should call them saints. I believe that good may come out of evil as regards this measure, because I think that it will give the anti-Socialistic Party a splendid handle at the approaching general elections in every State, with the exception, possibly, of saintly Victoria. From whence has come the demand for this Bill? We know well enough. Senator Gould quoted a part of the measure which indicates its source. In

clause 18, sub-clause 2, it is provided that—

In the following cases the competition shall be deemed unfair unless the contrary is proved—

(a) If the competition would probably or does in fact result in an inadequate remuneration for labour in the Australian industry.

There is a great difference of opinion as to what is inadequate remuneration.

Senator GUTHRIE.—Not enough to live on.

Senator PLAYFORD.—Below the minimum wage.

Senator WALKER.—I have no desire to starve anybody. I have been an employer of labour, and I defy any one to say that I ever starved my employes. I do not believe that any employer in Australia desires to do so. Australia is the home of liberty for the labouring classes.

Senator GUTHRIE.—Is it?

Senator WALKER.—Of course, it is.

Senator GUTHRIE.—Liberty to starve.

Senator WALKER.—Oh, bosh! Where is this demand? Echo answers—Where? I think that the only reply I can give is that that clause is intended to benefit a well-known manufacturer in Victoria. No doubt the Bill would prevent free competition, and would punish the great multitude of consumers for the benefit of a comparatively small handful of manufacturers. It is impossible to name any article the consumers of which are not infinitely superior in number to the manufacturers. Therefore, the Bill would punish the many for the benefit of the few. I advocate the greatest good for the greatest number. Again, protection is really a matter of monopolies and trusts. Where else in the world are such great trusts formed, and such enormous fortunes made, as in the United States, a country which boasts of having a protective policy? The incubus of multi-millionaires there has, I suppose, implanted a fear in the minds of many persons that we might get the disease here; but I do not think that probable. Senator McGregor made an allusion to the Colonial Sugar Refining Company, and spoke of it as a monopoly. What is a monopoly? A monopoly is surely a business or enterprise which belongs to one person or corporation. There are, to my own knowledge, three distinct sugar refining companies in Australia—namely, Messrs. Poolman and Co.; the Millaquin Refining Company, at Bundaberg;

and the Colonial Sugar Refining Company. To call any one of them a monopoly is a misnomer.

Senator PEARCE. — What percentage of the trade do the two first-named companies do?

Senator WALKER. — That is a mere matter of detail. The Bill aims also at the prevention of dumping. To begin with, "dumping" is not an elegant phrase, although it is expressive. Here, again, the public might be deprived of a great benefit which they now enjoy. Frequently there are large sacrifices made by persons at Home owing to bankruptcy, fires, and so forth. Is there not a danger that the public would be deprived of the benefit accruing from the sale of such stocks here? I know that Senator Playford has said that the Bill is not intended to apply to a case of that sort. I was very glad to hear the statement; but in Committee that ought to be made perfectly clear. I am altogether opposed to artificial barriers against trade. Again, clause 21 provides that the decision of the Justice shall be final. Why should there not be the right of appeal against the decision of a single Justice? Is it not possible that a single Justice may make an error? There is supposed to be wisdom in "a multitude of counsellors," and I believe that, as a rule, there is more wisdom in a Bench of three Justices than in a single Justice. Certainly the public would have more confidence in the judgment of the former. Undoubtedly this measure would promote litigation. Some persons believe that that would be a good thing, but I do not. I have had the pleasure of being served with a writ for £1,000, which I am very glad to say was withdrawn. While it was in my hand, however, I had a very uncomfortable feeling, and I can sympathize with persons who, although perfectly innocent, receive writs occasionally. In my case it did not cost me a penny, I am glad to say. I promised not to make a long speech. I now take my leave of the Bill for the time being. I shall vote against its second reading, and in Committee I shall endeavour to introduce amendments to give effect to my own views, and the views of those whom I represent.

Debate (on motion by Senator BEST) adjourned.

Senator PLAYFORD (South Australia—Minister of Defence) [3.37].—I move—

That the adjourned debate be an order of the day for Wednesday next.

I trust that honorable senators will come prepared to sit late on Wednesday, in order, if possible, to pass the second reading of the Bill.

Senator GUTHRIE.—What does the honorable senator call late?

Senator PLAYFORD. — Until 11 o'clock.

Question resolved in the affirmative.

JUDICIARY BILL.

SECOND READING.

Senator KEATING (Tasmania—Honorary Minister) [3.39].—I move—

That the Bill be now read a second time.

At this hour of the sitting it would not be possible for me to occupy the attention of honorable senators at very great length. The object of the Bill, which has been in their hands since the 25th July, is to provide for an increase of the numerical strength of the High Court of the Commonwealth, and also to enable that body to regulate the admission of persons to practise as barristers or solicitors in any Federal Court, and to prescribe the conditions and qualifications for admission, and the continuance of the right to practise. The latter is, of course, the minor portion of the Bill. It is nearly three years since the Parliament created the High Court as the tribunal to exercise in many respects the judicial power of the Commonwealth. I say "in many respects" because it was not to exclusively exercise that power. Both directly and in general terms we have invested States Courts with Federal jurisdiction. By the provisions of certain Acts of Parliament we have also indirectly invested different States Courts with jurisdiction to determine matters arising thereunder. When the Judiciary Bill was introduced into the other House in 1903 it contained a provision for the appointment of five Justices. In their wisdom the members of that House decided to reduce the number from five to three. When the Bill arrived in the Senate there was some disposition to reconsider the question of establishing the High Court with five Justices at the beginning. However, no action was taken in that direction here, although certain honorable senators had so expressed themselves. It was also stated by some honorable senators that three was quite a sufficient number, and considerable

doubt was expressed as to whether there would be any work for them to do, at any rate for a considerable time. As honorable senators are aware, the High Court occupies a unique place in connexion with our political organization—a place which is in some respects analogous to that occupied by the Supreme Court of the United States. In other respects it differs from that very high and august tribunal. But apart altogether from the position which is assured to the High Court by the provisions of the Constitution, I venture to say, without fear of contradiction, that it has not only warranted its establishment, but has commanded the confidence of the people of the Commonwealth to such a degree that there can be no doubt lingering in the minds of any member of the Senate as to whether we were right or wrong in establishing that body as far back as 1903. The work which it has done has been very great in point of volume. It has also been very important and very far-reaching in its consequences, and of the first order, so far as its quality is concerned. I venture to say that those who are best competent to judge are quite convinced that the Justices apply themselves to the consideration of the questions which are submitted to them, and to the discharge of their functions, in a way which leaves little, if any, room for adverse comment. I might occupy the time of honorable senators at great length in pointing out how far the jurisdiction of the Court extends, and remembering how extensive it is they would realize how, with a tribunal commanding the confidence which it does, the work must be ever increasing. But as my time is necessarily very limited, I would invite the attention of honorable senators to an excellent table, which is contained in the last volume of our Statutes, and which sets out rather succinctly the jurisdiction of the High Court. In the table of Commonwealth legislation from 1901 to 1905, on page 19, appears a reference to the Judicature; in the left-hand column of the table appear in order the sections of the Constitution dealing with the High Court; and then opposite each section appears a reference to the jurisdiction exercised by the High Court. On referring to sections 71 and 72 of the Constitution, which respectively provide for the number of Justices, and for the appointment and remuneration of the Justices; and section 73, which makes

provision with regard to the appellate jurisdiction of the High Court, we find that that appellate jurisdiction is provided for in the Judiciary Act 1903, sections 34, 37, 39, and 43; in the Papua Act 1905, section 43; and in the Copyright Act 1905, section 73, sub-section 2. Then, of course, reference is made to section 76 of the Constitution, which confers original jurisdiction on the High Court. That is the section which deals with jurisdiction in matters relating to treaties, the representatives of foreign countries, and so on. Then we have a section of the Constitution which provides for the jurisdiction of the High Court in cases arising under the Constitution, or involving its interpretation with the supplementary provision of the Judiciary Act of 1903, section 30. And next, dealing with the second portion of the constitutional provision in section 76, with regard to the Parliament conferring jurisdiction upon the High Court, we find that it has passed quite a number of Acts in which jurisdiction is conferred upon the High Court to deal with matters arising thereunder. These are enumerated here as the Customs Act 1901, Excise Act 1901, Post and Telegraph Act 1901, Property for Public Purposes Acquisition Act 1901, Commonwealth Electoral Act 1902, Defence Act 1903, Patents Act 1903, Commonwealth Conciliation and Arbitration Act 1904, and Trade Marks Act 1905. I am inviting the attention of honorable senators to this table, because I think that if they desire to consider what jurisdiction the High Court is capable of exercising, they can most readily find it by reference to this very handy document. Dealing with section 77 of the Constitution, so far as it bears upon the jurisdiction of the High Court, we find that it is one excluding the jurisdiction of States Courts, and we are referred to the Judiciary Act 1903-4, sections 38, 39, 57, and 59. Further on, this table deals with the general judicial powers of the Commonwealth, and the judicial power that is exercised and vested in the High Court, and in States Courts that may be vested with Federal jurisdiction. Honorable senators will see, therefore, that, apart altogether from its appellate jurisdiction and its original jurisdiction, which are directly conferred upon it by the Constitution, the High Court enjoys further the original jurisdiction that this Parliament has conferred upon it in exercising the

powers given us by the Constitution. Further than that, it exercises in many matters that jurisdiction concurrently with States Courts, and exercises other jurisdiction to which I have just made reference.

Senator DOBSON.—Where is the power given to hear appeals from one Judge of a State Court?

Senator KEATING. — That has been decided in *Parkin v. James*. I think that this table will considerably facilitate any reference which honorable senators may choose to make to the powers that may be exercised by the High Court. I am dealing, of course, in the main, with the jurisdiction that the Court enjoys, apart altogether from its appellate jurisdiction, and for that purpose I have made reference to this table, and suggested to honorable senators that it may be a fruitful source of information if they desire to consult it for the purpose of ascertaining how far the High Court is invested with jurisdiction. Having stated these facts as to the powers of the High Court, I may now point out that since its establishment it has been engaged in the exercise of its appellate jurisdiction in visiting at least more than once each of the States. In the case of Victoria and New South Wales, it has been so engaged very frequently. It has been so occupied for a considerable portion of each year. We have to consider the amount of time that the Justices of the Court can actually devote to sitting in the Court and listening to the arguments presented to them, upon which they have to form judgments that have to be published, not only for the guidance of the legal profession, but of the community generally. By consulting the papers that have been tabled containing the correspondence that has passed between the Department of the Attorney-General and the High Court, honorable senators will learn that the work done by the Court must necessarily have involved a severe strain upon the gentlemen who occupy seats upon the bench. Mr. Castle, the Registrar, in his letter of the 2nd May, points out that the Court was established on the 6th October, 1903; and he goes on to say—

Before the close of the year the Court had sat on 12 days, and had heard 2 appeals and 8 motions and applications.

In 1904, the Full Court sat on 112 days, and heard 39 appeals and 40 motions and applications. In that year, 37 original proceedings were instituted, and 19 actions or cases were heard by

single Justices. These included several election petitions, disputing elections or returns.

In 1905, the Full Court sat on 150 days, and heard 64 appeals and 72 motions and applications. In that year, the number of original proceedings instituted was only 16, but the increase in the appellate work was most marked.

In 1906, the High Court commenced its sittings by sitting at Hobart on the 19th of February. The sitting there occupied 5 days. From Hobart the Court came to Melbourne, and commenced a sitting on the 27th February, which occupied 25 days. The Court then proceeded to Sydney, and commenced a sitting there on the 2nd April, and after sitting some days proceeded to Brisbane, and held a sitting there on the 17th April, and after finishing its sitting, returned to Sydney, and resumed the sitting there. This sitting the Court was unable to complete before it had to leave for Melbourne, to commence a sitting on the 28th May, where a long list was awaiting it. The Court continued sitting until the 29th June, when it adjourned for the winter vacation, leaving several cases undisposed of. Up to the 30th June, the Full Court had, in 1906, sat on in Melbourne for 50 days, Sydney 31 days, Brisbane 4 days, and Hobart 5 days, making in all 90 days, and heard 42 appeals, and a large number of motions.

In 1906, the High Court has continuously been engaged from the close of the summer vacation until the commencement of the winter vacation, either in holding sittings or travelling to hold sittings. As the greater part of the business before the Court had to be dealt with by a Full Court of three Justices, no Justice has been available to try original jurisdiction cases, or cases in the Court of Conciliation and Arbitration. Notwithstanding the continuous work, the Court has been unable to dispose of all the business on the lists, and certain cases have had to stand over until the next half-year. In Sydney, there are 8 cases now awaiting hearing, in Melbourne 5, in Brisbane 1, and in Perth several more. The Registrar at Perth expects that there will be quite 20 cases for hearing by the time the Court sits there in October next. The Deputy-Registrar in Melbourne expects that 2 or 3 additional cases will be set down within the next few days.

In addition, one of the Judges of the High Court is, under our legislation, President of the Court of Conciliation and Arbitration. So far no work of any kind has been done by the President of the Arbitration Court, except, as honorable senators will see from a perusal of the correspondence, to adjourn a matter which was brought before him, and in which he was asked to determine the time and place for the hearing of a dispute. So far there is nothing to indicate that that dispute can be taken by the President of the Court at any time during the current year. It was in consequence of this fact being brought to the notice of the Government, spontaneously by the President of the Arbitration Court, in a letter

Senator Keating.

which appears in the published correspondence dated the 25th April, 1906, that action was taken. He pointed out the reasons for this delay in proceeding with the business, and a report was called for from the Chief Justice of the High Court, after consultation with his colleagues. That report appears in the form of a letter dated the 8th May, 1906. In the first letter from the President of the Arbitration Court he sets out that a dispute had arisen between the Merchants Service Guild of Australia employes and the Commonwealth Steam-ship Owners' Association, and that, on the 5th April, the parties came before him to fix a time and place for hearing. He realized that the matters involved were—

Issues of vital interest to both parties, and of vast importance to the public—

and stated that—

a month's continuous sittings of the Court at least, in my opinion, would be necessary for the hearing.

But he states that it is impossible to find even two or three days much less a month, which would not be fully occupied, consequently he had to adjourn the application until August—

In the hope that some change might before then leave an interval in the High Court appeal business, but I see at present no prospect whatever of such an interval.

He points out that this condition of things has arisen through the steady growth of the appeal business of the High Court, and that the indications are that this increase will continue. He goes on to say—

Unfortunately, therefore, a delay amounting to practically a denial of justice to the parties in this dispute has become inevitable.

He adds—

In other words, so long as the High Court consists of three Judges only, it is impossible that one of those three Judges can adequately discharge the duties of President of the Commonwealth Court of Conciliation and Arbitration.

In consequence of that communication, which, as I have said, was spontaneously forwarded by the President of the Court, a request was sent to the Chief Justice that he and his colleagues would furnish a report upon the business and prospects of the High Court. I need not read the whole of the papers appearing in the published correspondence. It is sufficient for me to direct attention to the fact that the

learned Chief Justice says in paragraph 2 of his letter—

From the end of the winter vacation of 1905 to the summer vacation, with the exception of one day in Perth (when I tried a case with a jury), and one week in November, the High Court was continuously engaged, when the members were not actually travelling, in hearing business requiring the presence of three Justices (except a very few cases which two Justices had formal jurisdiction to hear, but which it was desirable should be heard before the Full Court of three). During the one week referred to, I sat in Melbourne for the trial, with a jury, of an action pending in the original jurisdiction of the Court. During the same week Mr. Justice O'Connor sat in Sydney for the trial of an action, and sittings at which Mr. Justice Barton was to have been appointed to be held in Adelaide for the trial of other actions, which at the last moment were settled.

Later on he says—

Since the end of the summer vacation, the Full Court has been continuously sitting in Hobart, Melbourne, Sydney, and Brisbane, and again in Sydney. The Melbourne sittings were extended for a week longer than the period first allotted, with the result that all the business, which included some arrears from 1905, was disposed of, with the exception of one case.

So far as it is possible to form an estimate for the future, we think that the appellate business of the High Court is likely to keep it engaged almost continuously throughout the year. We are at present unable to fix any day before the end of this year for the hearing of a case before a single Judge.

Later still he says—

It has fortunately happened that hitherto all of us have enjoyed good health, and the business of the Court has not been interrupted for more than two or three days in all from temporary indisposition of the Justice.

Since May one of the learned Judges of the High Court has been ill. I do not know whether his illness continues, but I noticed that quite recently it was necessary for the High Court to postpone the consideration of matters that required the attendance of three Judges, and to take up at the Sydney sittings only those matters that could be dealt with by two. That is always a possibility at present in relation to cases that require the attendance of three Judges. We must always contemplate the possibility of illness on the part of one of them, and, in the event of that occurring, there must be a suspension of the business of the Court, at all events, so far as concerns that business which requires the attention of three Judges. The learned Chief Justice says—and this is the last passage which I shall quote—

The present continuous pressure of work leaves us very little time for research, and for

the preparation of written or even oral judgments. We do not think it desirable that a Court of final appeal should work at such constantly high pressure, from which, however, there is no prospect of escape so long as the number of Justices is limited to three.

Those honorable senators who are members of the legal profession know very well that when the High Court or any Court of Appeal proceeds to the determination of matters in its appellate jurisdiction it must carefully and cautiously weigh every argument presented to it; it must recognise the fact that its decision involves either sustaining a judgment that has been given after careful deliberation, or reversing it. Consequently, the care and attention required from a Court of Appeal can never be less than that required from a Court of lower jurisdiction; and if the Justices are constantly kept sitting or engaged in travelling from one sitting place to another, and are not afforded a reasonable time for the discussion of arguments that may be presented to them, and for the preparation in proper form of their ultimate decisions upon these important questions, the result must be to very seriously impair the efficiency and quality of their work. The Chief Justice was asked to what strength he would recommend that the High Court should be brought. In a short communication of the 20th January, which also appears in the papers, he states—

We are of opinion that the strength of the bench should be increased by the appointment of two additional Justices.

In consequence of that expression of opinion this Bill has been introduced. All the facts are succinctly set forth in the correspondence, a perusal of which will convey to honorable senators, far better than the words of myself or any other honorable senator, the absolute necessity for this august institution being numerically strengthened if it is to maintain the high position it has hitherto occupied. I know that some members of this Parliament are of opinion that the circumstances might be met by increasing the number of Judges by one. However, that is a matter that may be dealt with later in the consideration of the measure; but I point out that it may, and possibly very often will, prove desirable and advantageous that a full Bench, as distinguished from a Full Court, technically understood, should sit in determination of very important constitutional questions. Under the circumstances, I think

that the least number of Judges we should have is five. I can add nothing to the pertinent remarks contained in the letter of Mr. Castle, who summarizes the work that has been done by the High Court, and sets forth the work that is expected to be completed by the end of the year; nor can I add to the remarks of the Chief Justice himself, in the report as to the present and future business, supplied in compliance with the request of the Prime Minister. These communications in themselves should be sufficient to satisfy honorable senators that the present occupants of the Bench are working at very high pressure. Although we may admire their industry and the quality of their work, we cannot expect flesh and blood to long stand the severe mental and physical strain to which they are subjected. I, therefore, hope honorable senators will receive this Bill in anything but a party spirit, and will assist in the endeavour to establish this institution on a firm and solid foundation, so that it may continue to be, as it has been since its creation, a credit to the Commonwealth.

Debate (on motion by Senator CLEMONS) adjourned.

PAPERS.

Senator PLAYFORD laid upon the table the following papers:—

Statement showing where military canteens are established, their receipts, and the number of men attached.

Return relating to military canteens.

Ordered to be printed.

ADJOURNMENT.

ORDER OF BUSINESS.

Motion (by Senator PLAYFORD) proposed—

That the Senate do now adjourn.

Senator MCGREGOR (South Australia) [4.3].—Is it the intention of the Government to proceed next Wednesday with what is called the Anti-Trust Bill, or are other measures to be given precedence?

Senator PLAYFORD (South Australia—Minister of Defence) [4.4].—The Australian Industries Preservation Bill will, unless something extraordinary takes place, be kept at the head of the notice-paper until it is disposed of.

Question resolved in the affirmative.

Senate adjourned at 4.5 p.m.

House of Representatives.

Friday, 10 August, 1906.

Mr. SPEAKER took the chair at 10.30 a.m.

House counted.

Mr. SPEAKER read prayers.

LIEUTENANT A. J. RUSSELL.

Mr. HUTCHISON asked the Minister representing the Minister of Defence, *upon notice*—

1. As Lance-Sergeant John Hanks, who did not pay £10 18s. 6d. till he had been sued for the amount, was tried by court-martial and dismissed with ignominy from the Western Australian branch of the Commonwealth Military Forces, why has Lieutenant Alexander John Russell, of the Perth Highlanders, who allowed himself to be sued for £400, and who dishonorably evaded payment by pleading the Gaming Act, and was therefore expelled from the Stock Exchange of Perth, not been similarly dealt with?

2. Is there a different code of honour in the Commonwealth Forces for commissioned officers and for non-commissioned officers?

3. Is there any truth in the assertion that Lieutenant Russell escaped punishment because he is a well-known society and business man, a member of the Weld and Perth clubs, and a personal friend of a leading officer?

Mr. DEAKIN.—The answers to the honorable member's questions are as follow:—

1. Lance-Sergeant Hanks was tried by court-martial for—

Conduct to the prejudice of good order and military discipline in that, on the 24th February, 1906, although repeatedly called upon, and, after promising to do so, he failed to account for, or produce, the sum of £10 18s. 9d., the property of the officer commanding the 11th Australian Infantry Regiment, which failure necessitated action being taken in the Police Court, Perth, in order to recover same, such recovery being obtained in consequence of an order of the Court, made on the 7th March, 1906.

He was found guilty, and sentenced to be discharged with ignominy.

With regard to Lieutenant A. J. Russell, of the Western Australian Infantry Regiment—a cutting from the *Sunday Times*, of Western Australia, commenting on the expulsion of Mr. Russell from the Perth Stock Exchange was brought under the notice of the Minister, who referred it to the Commandant of Western Australia.

The Commandant, in reply, stated that he had been watching the case very closely, and had been informed that Mr. Russell has instituted

proceedings against the *Sunday Times*, and recommended that no action be taken until such time as the Court has given judgment.

2. No.

3. No.

Mr. HUTCHISON.—He was expelled from the Stock Exchange.

Mr. DEAKIN.—I understand that that was in consequence of a statement published in the newspaper against whose proprietors he is bringing a libel action.

PENNY POSTAGE.

Mr. DUGALD THOMSON asked the Postmaster-General, *upon notice*—

Whether he will supplement the information already given as to the loss in each State on the adoption of penny postage, by a statement showing the number of letters, in each case, to which the loss applies?

Mr. AUSTIN CHAPMAN.—Yes; the information will be furnished on Tuesday next.

GENERAL BUSINESS.

Mr. DEAKIN (Ballarat—Minister of External Affairs) [10.34].—I move—

That, until otherwise ordered, the Order of the House giving precedence to General Business on each Thursday until half-past six o'clock be suspended, and that Government Business shall have precedence on each day of sitting.

There are but a few weeks left in which to transact a great deal of important business, and while many questions of magnitude are raised by the notices on the business-paper in the names of private members, if our time is insufficient for the transaction of Government business it must be impossible to dispose effectively of their business. They are, therefore, not being asked to sacrifice real opportunities. If we are to do the work which remains to be done this session, and go to the country as early as is desired, there remains but a very short time in which to do it.

Mr. McWILLIAMS.—If an opportunity to deal with private members' business presents itself, will the honorable and learned gentleman allow us to take advantage of it?

Mr. DEAKIN.—Of course.

Mr. REID (East Sydney) [10.35].—At this stage of the session the proposal of the Government is a perfectly justifiable one, especially in view of the lamentable condition of the artisans in the foundries of Victoria. The Attorney-General about Christmas time drew a most affecting picture of the miserable state of the firesides

of Victoria for want of a relief which would be afforded after the reports of the Tariff Commission were presented. I understand that those reports are now to hand, and, no doubt, one of the objects of the motion is to allow the Government to deal with these cases of harrowing distress.

Mr. HUTCHISON (Hindmarsh) [10.37].—I have on the notice-paper a very important motion, affecting a very large section of the community, but I recognise that the Tariff proposals of the Government, which affect an even larger section, are of more pressing importance. As the Prime Minister has said that he will, if possible, give honorable members an opportunity to deal with their business, I am only too willing to support the motion.

Mr. JOHNSON (Lang) [10.38].—Whilst agreeing with the Prime Minister in the desire for the expedition of business, I think that consideration might be given to the fact that some private members have very important motions on the business-paper already partly dealt with or altogether untouched. I have set down for the 30th August a motion dealing with reciprocal trade relations with New Zealand, having surrendered my right to proceed with it earlier in the session to allow honorable members to visit Queenscliff on the occasion of the sending of the first message by wireless telegraphy from the mainland to Tasmania.

Mr. HUME COOK.—Other honorable members did the same.

Mr. JOHNSON.—I admit that. While recognising the reasonableness of the Government proposals, I ask the Prime Minister whether if at any time during the remainder of the session an opportunity presents itself to proceed with private business in Government time, he will allow us to take advantage of it?

Mr. DEAKIN.—Yes.

Mr. STORRER (Bass) [10.39].—I intend to oppose proposals such as this so long as the Government allow honorable members to occupy three or four hours in speaking on the business brought before us.

Mr. WILKS.—The honorable member for Darwin, for instance, took three or four hours to deliver himself in regard to the Budget.

Mr. STORRER.—I am not responsible for any conduct but my own; but I feel that if honorable members curtailed their remarks we could get through the business on the notice-paper within a month.

Mr. McWILLIAMS (Franklin) [10.40].—I have a motion on the business paper which, if not dealt with this session, cannot have any effect for the next three years, since it relates to the holding of general elections. I wish to provide that every person on the roll of electors shall be compelled to accept the full responsibilities of citizenship by casting his vote on the occasion of Parliamentary elections, and if the motion is not carried into effect this session so as to apply to the next general elections it will not be applicable until three years later. My own speeches in this Chamber will be very brief and to the point, and I hope that if an opportunity occurs to allow this very important matter to be dealt with the Prime Minister will allow us to take advantage of it.

Mr. MAUGER (Melbourne Ports) [10.41].—I have some very important motions on the business paper, but am even more anxious than is the leader of the Opposition to proceed with Tariff reforms. It is a matter of very great regret to me that not a line of the evidence submitted to the Tariff Commission has been made available to honorable members.

Mr. WILKS.—Whom does the honorable member blame for that?

Mr. MAUGER.—The members of the Tariff Commission. That evidence should have been sent to honorable members as it was given, instead of being filtered through the newspapers. I have not known a Commission to act as this Commission has done. The result of its arrangements will be that we shall get a whole pile of evidence at one time, and shall have a great mass of details put before us which it will be impossible to go through.

Mr. THOMAS.—This is a protectionist speaking! He wants an excuse for not dealing with the matter now.

Mr. MAUGER.—I am speaking, not in my own interest, but in that of those situated like the honorable member.

Mr. THOMAS.—I am prepared to deal with the subject at once, but the honorable member is trying to shirk the settlement of the question, though he has continually been saying that it is necessary to have it dealt with.

Mr. MAUGER.—The evidence ought to be in the hands of honorable members, so that we can form an opinion upon it apart from the recommendations embodied in the reports of the Commissioners. As it is, we are in possession of nothing.

Mr. JOHNSON.—The honorable member has read the newspaper reports.

Mr. REID.—It is assistance, not evidence, that his friends want.

Mr. MAUGER.—I desire that the matter may be settled in such a way that it will not be re-opened for a considerable time. If it is only patched up by the removal of so-called anomalies, it will soon be re-opened.

Mr. THOMAS.—The honorable member does not wish it to be settled before the general elections.

Mr. MAUGER.—I wish it to be settled as soon as the honorable member does.

Mr. POYNTON (Grey) [10.43].—I, too, have an important motion on the business paper—I believe the most important there. It deals with the taking over by the Commonwealth of the Northern Territory of South Australia, and I hope that the House will come to some decision in regard to it. I trust that the Ministry, who I believe are in earnest, will attempt to arrive at a settlement between South Australia and the Commonwealth on the subject.

Mr. WILKS.—How would the appointment of a Royal Commission suit the honorable member?

Mr. POYNTON.—That, in my opinion, would delay matters. A big effort has been made in South Australia to prevent the Commonwealth from obtaining control of the Northern Territory, and if the matter is allowed to rest, steps may be taken by a section of the politicians of that State which will prevent the Commonwealth from doing anything in regard to it for a long time to come. I believe that, in the interests of the State and of the Commonwealth, the Territory should be under our control. Hence I am anxious that, notwithstanding the pressure of business before us, we should have an opportunity to come to some decision—to make some offer. At present we are standing off from each other.

Mr. BROWN (Canobolas) [10.46].—If the motion be agreed to, it will prevent the House from proceeding any further with private members' business. I have some little interest in this matter, because I have obtained permission to introduce a Bill to amend the Public Service Act in a somewhat important particular. I understand that members of the Opposition have some objection to my dealing with the sub-

ject, and I should be very glad if the Government would take it in hand.

Question resolved in the affirmative.

BUDGET.

In Committee of Supply:

Debate resumed from 9th August (*vide* page 2631), on motion by Sir JOHN FORDERST—

That the item, "President, £1,100" be agreed to.

Mr. KELLY (Wentworth) [10.47].—Last night I was endeavouring to show how the principle applied by the Minister of War to Great Britain's second line of defence might be applied with equal reason to that of the Commonwealth. There was nothing new in the proposition, but I think I should be able to show that the risk to Australia, if ever her second line of defence is called into requisition, will be much more considerable than has been generally apprehended. There is very little danger at any time for the next decade or so of the Imperial command of the seas being absolutely lost, but it is possible that a combination of the whole of the naval powers of Europe against Great Britain might compel the latter to so concentrate her forces in a particular place, as to render it necessary for her to temporarily surrender her control of the eastern seas. It is by no means certain that in such an event the Asiatic powers that might be involved would trouble Australia. There are other points of the Empire in the eastern seas that might be more vulnerable and of greater importance from a military point of view, especially when one considers that control of the eastern seas by such powers would be only temporary, and that as soon as the menace to England by the European Powers had been removed, she would once more assert her supremacy in the East. Therefore, an Asiatic power might not care to embark upon a large expedition with the object of territorial occupation so far from her base. We must, however, be prepared for all eventualities, and, therefore, I would suggest that what is needed as a second line of defence is the skeleton of a vast citizen force—a skeleton which, in the event of an outbreak of war, could be rapidly clothed with flesh and blood. I should like to quote from a French technical paper called *Armée et Marine*, which expresses itself as follows:—

Le détroit de Malacca, passage si fréquenté, porte des mers d'Extrême-Orient, est un des points stratégiques les plus importants du

monde. Sur ses bords, Singapore est devenu depuis longtemps un port commercial et un entrepôt de première importance. L'Angleterre va l'ériger en station navale, point d'appui de la flotte et grand dépôt de charbon pour la marine.

Il était encore dépourvu de docks pour les réparations des grands croiseurs et des cuirassés; on va les lui donner.

L'agrandissement des docks de Singapore va donner une valeur toute nouvelle à ce port splendide qui pourrait réunir toutes les flottes britanniques. Il était déjà le point de rendez-vous où les chefs des escadres anglaises de Chine, d'Australie et d'Extrême-Orient se plaisaient à concerter leurs plans d'évolutions et de manœuvres. Désormais, port de guerre de premier ordre, flanquant le passage le plus commode et le plus fréquenté entre l'Océan Indien et les mers de l'Asie Orientale, ce point va devenir un centre stratégique incomparable et dont l'importance dépassera celle de Gibraltar.

Pour qui cherche à pénétrer les desseins de l'amirauté britannique, il est curieux de noter que ce renforcement de puissance coïncide avec le renouvellement du traité d'alliance anglo-japonais et l'entente cordiale de la France et de l'Angleterre.

La Grande-Bretagne, libre d'intervenir partout, se réserve de pouvoir sans danger concentrer ailleurs tous ses efforts.

I think that this clear testimony to the value of Singapore from a military point of view indicates that in the event of the control of the eastern seas being temporarily surrendered by Great Britain, Australia might still remain immune, because of the greater opportunities open elsewhere to the enemy. If we neglect our first line of defence upon which our security will depend, we shall expose ourselves to undue risk. If, on the other hand, we endeavour, in addition, to maintain a large standing army, our Treasury will soon be exhausted. Therefore, I suggest that we should not relax our efforts to bring about a proper system of naval co-operation between the various portions of the Empire. So far as the second line of defence is concerned—the provision of an army to repel invasion—I suggest that only such parts of that organisation as cannot be readily brought into existence should be kept in a state of preparedness. This organisation would include the staff, the administration, the military stores, the higher officers, and a pattern force, upon which others could be modelled. All these things could be provided for without incurring exceptional expense, and we should be able to put the flesh on the skeleton when a time of crisis arrived, and turn out the rank and file in a thoroughly efficient state. There is one side of our land defences with which I have not yet dealt. I refer to the coastal

defence force. At the present time, practically the whole of our defence forces might be included in that definition. These forces must always be ready, because coastal defence is complementary to sea power, and is liable to be put to the test even while command of the seas is still held. The honorable and learned member for Northern Melbourne, perhaps in his anxiety to follow the opinions of his political patron, the honorable member for Bland, fell into a curious error. At page 2431 of *Hansard* he is reported as having stated—

With an island continent the first thing to be looked for is coastal defence. Notwithstanding all the rifles, guns, and forts, nothing compares in importance with coastal defence.

The honorable member seems to have forgotten that forts and guns are usually regarded as forming an essential part of coastal defence. A very distinguished writer on these matters, who perhaps has done more than any other man to advance sea power—I refer to Captain A. P. Mahan—says—

“The best protection against an enemy's fire,” said Farragut, “is a well-directed fire from our own guns.” Analogically, the best defence for one's own shores is to harass and threaten seriously those of the opponent; but this best defence cannot be employed to the utmost, if the inferior, passive defence of fortification has been neglected. The fencer who wears also a breastplate may be looser in his guard. Seaports cannot strike beyond the range of their guns; but if the great commercial ports and naval stations can strike effectively so far, the fleet can launch into the deep rejoicing, knowing that its home interests behind the buckler of the fixed defences are safe till it returns.

If, therefore, in maritime war, you wish permanent defences for your coasts, rely exclusively upon stationary works, if the conditions admit, not upon floating batteries which have the weaknesses of ships. If you wish offensive war carried on vigorously upon the seas, rely exclusively upon ships that have the qualities of ships and not of floating batteries.

So much for this curious misconception of the honorable and learned member. I should like to ask honorable members who are interested in this matter what particular purpose torpedo vessels would serve in connexion with our coastal defence? Such vessels would be smaller than those which the Naval Director, in his last report, has shown to be too small for work upon the rough coast line of Australia. They would be infinitely smaller than any hostile vessel that would come to these waters. They are designed particularly for attack upon dark nights and in thick weather, and they were

tried during the late war between Russia and Japan, with the most disappointing results. Such vessels would not have the effect of frightening any invading ship away from our coast. If they met a raider, their position would be reminiscent of the charge of the Watch in *Much Ado About Nothing*.

Mr. BAMFORD.—Is the honorable member referring to the ships in connexion with which we pay the naval subsidy?

Mr. KELLY.—No, I am referring to Captain Creswell's proposed torpedo vessels.

Mr. WATSON.—The ships in regard to which we pay a subsidy are stated by the Admiralty to be of very little value—most of them should be on the scrap heap.

Mr. KELLY.—The honorable member is evidently under a misconception, because at present the vessels for which we are paying as drill ships are of the very newest design.

Mr. WATSON.—The *Powerful* is of old design.

Mr. KELLY.—We are not paying for the *Powerful*.

Mr. WATSON.—Yes, we are.

Mr. KELLY.—I am speaking of the arrangement that certain vessels should be kept here.

Mr. WATSON.—Including an armoured cruiser, and there is no armoured cruiser on the Australian station.

Mr. KELLY.—The honorable member ought to know that the *Powerful* has recently been altered, and that she is now practically an armoured cruiser.

Mr. WATSON.—She is not, nor anything approaching it.

Mr. KELLY.—The honorable member is relying upon an old definition of the term “armoured cruiser.”

Mr. BATCHELOR.—Is it not a fact that most of the vessels for which we have been paying are now upon the scrap heap?

Mr. KELLY.—I can only answer one interjection at a time. The honorable member for Bland in speaking the other day appeared to take it for granted that these ships were withdrawn from Australian waters in order that our coast line might be open to attack.

Mr. WATSON.—I did not say they were withdrawn in order to accomplish that. I said that they were withdrawn.

Mr. KELLY.—It may cause the honorable member great surprise to learn that the reason why these vessels leave us is

that they may the better discover any ship which may be contemplating an attack upon it.

Mr. WATSON.—I have heard of that, and I have also heard something about a person looking for a needle in a haystack.

Mr. KELLY.—The honorable member has a good deal to learn in this connexion.

Mr. BATCHELOR.—Unfortunately, the honorable member himself thinks he has not.

Mr. KELLY.—I should like to know what instructions would be given to the Australian torpedo flotilla in case of the outbreak of hostilities. Certainly, they ought to partake of the nature of the advice which was given by Dogberry to the watch in the third act of *Much Ado About Nothing*. There, Dogberry, addressing the commander of the watch, says—

You are thought here to be the most senseless and fit man for the constable of the watch; therefore, bear you the lantern. This is your charge: You shall comprehend all vagrom men; you are to bid any man stand, in the Prince's name.

Thereupon, the second man of the watch inquires—

How if he will not stand?

To which Dogberry replies—

Why then, take no note of him, but let him go; and presently call the rest of the watch together, and thank God you are rid of a knave.

That would necessarily be the attitude adopted by the Australian torpedo flotilla so far as raiders are concerned. They should bid the enemy stand in the Prince's name, and if he will not stand, they should let him go, and thank God that they are rid of a knave. That is about as much as our mosquito fleet could achieve in time of war. I should like to ascertain from the Treasurer whether any provision has been made in the Estimates for giving effect to the recommendations of the Imperial Defence Committee so far as our coastal forts are concerned?

Sir JOHN FORREST.—No provision has been made.

Mr. KELLY.—I do not know what are the recommendations of that body, because, so far, they have not been made public. But I think it is certain to recommend the conversion of our slow hydro-pneumatic ordnance to a quick-firing gun, probably a mark 7 6-inch gun. That conversion will involve a certain capital outlay, although it will eventually result in lightening the burdens of the taxpayer. I am sorry that

no provision has been made in that direction. Am I right in assuming that the Minister will provide for it in a special Bill?

Sir JOHN FORREST.—I cannot say at present.

Mr. KELLY.—It is quite possible that the Committee will recommend the abolition of the submarine mine establishment, for the purpose of bringing all the ports of the Empire into line in this regard. That recommendation would not imply that the submarine mine is not an efficient weapon, because, as a matter of fact, the German Government have recently been increasing their submarine mine strength. But the reason which will probably be urged for its abolition is that the British authorities have not confidence in the control by shore authorities of submarine mines. The same consideration must necessarily apply to torpedo flotillas under local control in harbors. If the Imperial Admiral upon the station does not understand the discipline of such flotillas, there is no doubt that he would much rather dispense with their services entirely, because they would be a source of danger to himself, as well as to the enemy. I hope that the Treasurer will carefully consider this aspect of the question. I do not desire to delay the Committee at any greater length. I merely wish to say that honorable members must recognise the new position of the Commonwealth, so far as her defence problem is concerned. The rise of the great powers in the East makes it imperative that the naval strength of the Empire shall increase proportionately with that of Europe and Asia combined. Therefore, we should do our best by manly co-operation with the other sections of the Empire to maintain a common Imperial Navy which will be strong enough to meet all possible dangers, from whatever part of the world they may come.

Mr. REID (East Sydney) [11.9].—I am one of those who recognise—

Mr. JOSEPH COOK.—I think that we ought to have a quorum present. [*Quorum formed.*]

Mr. REID.—I recognise the very intelligent interest which the honorable member for Wentworth has exhibited in the question of national defence. With reference to the preceding speech which was delivered last night by the honorable member for Gwydir, I feel very grateful to

you, sir, for having called on the honorable member instead of upon myself—following the established rule of alternating the speakers from different sides of the House, which is a very proper rule—because he has provided us with the missing link in the practical politics of Australia to-day. The Treasurer proudly boasted that there were no political skeletons in the cupboard of the Ministry, but I know of half-a-dozen, and one of them is this question of a Federal progressive land tax. * It is rather surprising—in view of the important bearings of such a proposition, and the demand which has been made upon the Government by the great body of their nominal supporters in the Labour corner—that the Treasurer in his exhaustive survey of the affairs of Australia—and incidentally I must give him credit for the great industry which he displayed in the Budget recently presented to us—did not even mention this matter. In passing, I wish to recognise in the fullest possible way the ample information which has been given by the Treasurer in connexion with the public finances. At the same time, we must not forget the great debt of obligation which we owe to the right honorable member for Balaclava in this connexion. Unfortunately his health precludes his attendance regularly in this House. But I look upon the labours of that eminent statesman in laying the foundations of a proper system for the exhibition of the financial affairs of Australia as services which ought long to be remembered. He has formulated a plan which I am glad to see the Treasurer has faithfully observed. In my opinion, nothing could exceed the completeness of the information which the right honorable member for Balaclava, as Treasurer, gave to us in years gone by in his Budget statements. In this connexion I wish also to express—and I think I may express it on behalf of honorable members upon both sides of the Chamber—my sense of obligation to the permanent officials of the Treasury Department. Nobody knows better than does the Treasurer how invaluable are the labours of these officers in connexion with this great question of Australian finance. Reverting to the speech of the honorable member for Gwydir, I should like to say that in the most exhaustive and thorough way he has revealed to us the result of the caucus deliberations upon the vexed question of a Federal progressive land tax. Of course,

Mr. Reid.

we are not privileged to send reporters to the meetings of that body—

Mr. WATSON.—The right honorable member does not invite us to the meetings of his party.

Mr. REID.—We have very seldom the slightest chance of learning the nature of the deliberations of the caucus, and I do not think that we have even yet discovered where it meets. That is still a matter of profound speculation. But wherever it may meet, we are sometimes indebted to an unusually verdant member of the party for a limelight exhibition of the effect of the proceedings which are elaborated in the hidden recess where the caucus assembles. The honorable member for Gwydir disclosed the policy of the Labour Party in reference to the imposition of a progressive land tax with a thoroughness and enthusiasm which left nothing to be desired. I am glad to see that he has recovered from his great effort, and is looking excellently well. I should like to express my acknowledgments to him for the thorough and earnest way in which he expounded the views of the Labour and Socialistic Party upon the question of a Federal land tax. In the first place, setting aside the policy which is in view, my matured opinion is that the project of making use of the powers of the Federal Parliament to impose direct taxation in order to burst up big estates amounts to a deliberate attempt to outrage the fundamental principles of the Federal Constitution.

Mr. WATSON.—Nonsense.

Mr. REID.—I may be wrong, but I am simply claiming my right to express my own opinions on the subject.

Mr. WATSON.—One might as well claim that the adoption of the policy of protection is an outrage of the principles of the Constitution.

Mr. REID.—I am not expressing the views of the honorable member; I am simply endeavouring to express my own views on this question.

Mr. WEBSTER.—Are they authenticated?

Mr. REID.—We listened to the honorable member last night when, for about three hours, he perspired tears, not of blood, but of bathos, and surely he will permit me to briefly express my views. I do not know what order the honorable member observes in the caucus, but he ought to behave himself better when he is in the Chamber. I wish to briefly explain my reasons for taking the view

of this question that I have just enunciated. The lands of the States are left under the sovereign control of each of them. The electors of Victoria, New South Wales, Queensland, South Australia, Western Australia, and Tasmania are not enabled by the Federal Constitution to exercise the slightest control over the respective policies of those respective States. Victoria has sovereign control over its land problems, and so with New South Wales and the remaining States. Each State has complete control and sovereignty over all questions affecting land settlement and the ownership of the land. On the principle that the Federal Constitution vests in the Parliament of the Commonwealth, only that power which is expressly given, and that all that is not so given is left to the States, this Legislature has nothing to do with the lands of Australia, save in regard to the imposition of direct taxation. The object of the proposals of the Labour Party is not to fill the Treasury with revenue in some emergency, because at this very moment, when a progressive land tax is being advocated, the Federal Government are proposing to give away revenue to the extent of £200,000 per annum—a sacrifice for which no one has asked. That being so, there is no pretence of an emergency in relation to the Federal Treasury. The endeavour to make use of the power given to the Commonwealth Parliament to impose taxation for revenue purposes, in order to do something that has everything to do with the land policies of the States, and nothing to do with the raising of revenue is a direct attempt to twist our powers under the Constitution—to invade the rights of the States in one of the most vital problems in Australian politics to-day. If we took over the burden of the management of the lands of Australia, the case would be different, but in an arena where none of the anxieties of land problems have to be dealt with, we are assuming to interfere in a vital way with the administration of the lands of the States. Each State to-day is perfectly free to pass any system of progressive land taxation that it pleases. In considering such questions, the people of one State have not the slightest right to interfere with the decisions of another. What right would the people of New South Wales or Victoria have to interfere with the views of the people of

Queensland as to the way in which the land policy of that State should be settled? And so with all the States. When the Conciliation and Arbitration Bill was before Parliament, the Prime Minister—who, whether his opinion was right or wrong, deserves a large degree of credit for his action—viewed an amendment with reference to the application of the Bill to States railway servants as an infringement of States rights. Greatly to the regret of a large number of honorable members who voted for that amendment, he took the view that he could not honorably remain in office, having regard to that outrage on the principles of the Constitution, and the consequent aggression on the rights of the States. Within a few short years, however, we find him lending his support to a project of this kind which would seriously interfere with the sovereign rights of the States in a matter of infinitely more vital concern. I am sure that the Treasurer will not even, because of his official position, pretend to sympathize with such an outrage on the Constitution. He is man enough to say that he would not do so.

Sir JOHN FORREST.—I have expressed myself clearly on the subject.

Mr. REID. — The right honorable gentleman, in a most straightforward and prompt manner, expressed his views in the direction I have indicated.

Mr. FRAZER.—But he did not base his objection on constitutional grounds.

Mr. REID.—No. I do not think that he has studied the constitutional aspect of the question; but he based his objections on very broad grounds of principle and expediency, which are quite sufficient. In these circumstances, therefore, we have the Prime Minister of the Commonwealth obeying the mandate of the leader of the Labour Party—saying “Yes, Mr. Watson,” on the question of a Federal land tax—whilst we have the Treasurer, the custodian of the finances of the Commonwealth, scouting the project as one that is inadvisable, to say the least.

Mr. MAUGER.—What is the Minister of Trade and Customs doing?

Mr. REID.—Who knows what he is doing? Everything he does that is worth anything is precisely that of which no one knows anything; it is all underground work. I approach now the consideration of a principle which has been laid down by the honorable member for Gwydir. The honorable member drew a picture which some simple person in the gallery might have

thought was wrung from a bleeding, lacerated heart, but which we, knowing him, recognise as simply one of his amateurish efforts at rhetorical effect. He attempted to draw a picture—which was painful enough to move even one of these massive pillars in the House—of the horrible sufferings of the Australian artisan because at present he has not a farm. It is the artisans who, according to the honorable member, are to go on the farms to be opened up to Australian industry. The honorable member, in drawing his touching picture about the inalienable right of the States to the ownership of land, should have remembered that he was twisting the Constitution and proposing to put it to an unworthy use. In England, in days of old, the sovereign was the owner of the land, and so, in one sense, the State—not the Federal Parliament, but each of the States—is the owner of the land within its boundaries. But when an owner of land sells that land to an individual, and takes money for it, and then talks of his inalienable right to occupy that land—he is a rogue, or else holds the view—an honorable view it may be—that the proceeding itself was one that was attended with some fraud or inequity. The position in this democratic country which has unlocked the lands, and which, under a democratic system of manhood suffrage, has sold it, is different from that which may be said to have existed in older countries. The position of the Australian democracy in reference to the land is that that land was vested in it by the Crown, and that it sold it and—

Mr. HARPER.—Got the money.

Mr. REID.—And got the money. When the honorable member for Gwydir says that, in spite of that transaction, the State still has a right to the land, and should take it by means of bursting up big estates—

Mr. WEBSTER.—I did not say anything of the kind.

Mr. REID. — The honorable member went as nearly as he could to making such a statement.

Mr. WEBSTER. — The right honorable member should not attribute to me statements that I have not made.

Mr. REID.—I can never thoroughly appreciate the views of the honorable member, because he cannot express himself clearly.

Mr. WEBSTER.—It is the right honorable member's denseness that makes him unable to appreciate my views.

Mr. REID.—What I was able to gather from the remarks of the honorable member was that—

Mr. WEBSTER.—Better judges than the right honorable member have said—

Mr. JOSEPH COOK.—Order!

Mr. REID.—I think that the honorable member ought to take punishment better. We all have to take it in turn.

Mr. WEBSTER. — The right honorable member leaves the Chamber when another honorable member proceeds to criticise him.

Mr. REID.—I have had to take a fair amount of punishment in my time.

Mr. WEBSTER. -- The right honorable member takes very little in this Chamber.

Mr. REID. — The honorable member spoke of the inalienable right of the people to the land. I recognise that, in the sense that no man has a stronger belief than I have in the principle of breaking up big estates. So far from having any conservative view on this subject, I hold that Australia will never be anything like a country fit to develop on broad national lines until its enormous estates are broken up. I admit that no statesman in any State could have a stronger or more beneficial policy in view. That being so, it is not from any antagonism to the object which the honorable member and his party have in view that I am criticising the means by which they seek to achieve it. I merely say that the Federal Parliament has no more right to take up the process of breaking up large estates than has an individual to pull down the fences which subdivide them. Every individual has just as much right to do that as the Federal Parliament has to endeavour to break them up. There is a very simple method of dealing with this problem. All that is necessary is to resume the land for the purpose of closer settlement, and to pay its honest value. That is a simple method, which will solve all difficulties in regard to the large estates.

Mr. BATCHELOR.—Compulsory resumption?

Mr. REID.—Compulsory resumption.

Mr. BATCHELOR.—The honorable member would be described in some places as an anarchist for making such a proposal.

Mr. REID.—I am expressing the view that I enunciated before a large gathering in Adelaide a night or two ago.

Mr. BATCHELOR.—And did not the right honorable member's audience howl at it?

Mr. REID.—No; and even the honorable member's supporters did not howl at

me when I was dealing with other points. I am very grateful to the people of Adelaide for the magnificent hearing they gave me. It will be seen from what I have said that it is not because of any unfriendliness to the policy of closer settlement that I object to the Labour Party's proposal. My opinion is that if the Federal Parliament begins, even for a good object, to twist the Constitution to-day, it will create a precedent which may be followed for the most pernicious and wicked objects. I am glad that the Labour Party, as represented by the honorable member for Gwydir, has, in the most candid way, put forth its views in connexion with this subject. On this issue I am prepared to meet the Labour Party all over Australia. The land of Australia can be thrown open to the young Australian farmer to-morrow, or as soon as the people of any State are in favour of closer settlement. I believe that the majority of them are. The simple plan to adopt would be to more fully exercise the power of resumption which is now being exercised in several of the States. But we must pay honestly for the land according to its value.

Mr. WILKINSON.—Much of it was dummied and stolen.

Mr. REID.—That is a matter which may be investigated on its merits. We must not confound the man who holds land under honest conditions with those who have abused the laws of the country. It would be a novel way of finding the path of equity to confound the man who has abused the land laws with the man who has honestly taken up land under those laws. Besides, it must be remembered that, in imposing taxation, we cannot pick out one man, and another, and not apply it to all. May I remind honorable members who sit in the Government corner benches that the Western Australian Labour Federation, whose members cannot be accused of sympathizing with the holders of large estates, have passed a resolution denouncing the policy of the Labour Party as an incentive to frauds on the revenue?

Mr. FRAZER.—And they, in their turn, are being denounced for having taken such action.

Mr. REID.—That is a matter which Labour members must settle amongst themselves. The Labour Federation of Western Australia has denounced the policy of the Labour Party, on the ground that it offers incentive to fraud, and would interfere

with those who have *bona fide* exercised the powers given to them by the States. My strong point is that the policy of closer settlement is a policy for the people of each State to deal with. We have no more right to use our power of taxation to solve the land problems of the States than we have to put our hands into the States Treasuries.

Mr. WEBSTER.—If that is the only argument to which we have to reply, we shall be able to meet it.

Mr. BAMFORD. — The difficulty is that each State Parliament has an Upper House.

Mr. REID.—My difficulty lies in having to acknowledge valueless interjections which cause a painful waste of time. There are several subjects upon which I wish to touch, and I shall proceed now to refer briefly to some of the salient features in the Financial Statement. In the first place, I notice that, whereas last year the Commonwealth returned £829,000 to the States, in addition to three-fourths of the revenue for Customs and Excise, this year it will return only £311,000—a drop of over £500,000. To Victoria and New South Wales that may not be a very serious matter, but it is most serious for Queensland, South Australia, and Tasmania. Their finances are not on a large scale, though their difficulties are. The difficulty they find in making both ends meet is very great. Therefore the reduction I speak of is a most serious thing to them, and I cannot congratulate the Treasurer, or the country upon it. If we were paying interest on the properties which we have taken over from the States—the post-offices, telegraph and telephone lines, defences, and public buildings generally—we should have no surplus to return to the States, because it has been estimated that, having regard to both interest and depreciation, £2,000,000 should have been deducted from our revenues, which has not been so deducted, because no arrangement has yet been made for paying for the transferred properties.

Mr. KING O'MALLEY.—The amount of the interest due is £2,300,000.

Mr. REID.—I put it at £2,000,000 in order to be on the safe side. These figures have to be considered in the light of facts which we must not forget. The Treasurer estimates that our revenue for next year will show an increase on the revenue of last year of about $\frac{1}{2}$ per cent., which means practically stagnation. In a time of

admitted prosperity, he estimates that our revenue will not increase at the rate of 1 per cent. But, nevertheless, he proposes to increase our expenditure by 12½ per cent. One of the most unsatisfactory and astounding features of the Budget is that the Treasurer, with a practically stagnant revenue, is proposing to increase the public expenditure by 12½ per cent., or something like £500,000. I admit that the expenditure of £50,000 or £60,000 on the forthcoming general elections is a special item.

Sir JOHN FORREST.—There was a good deal underdrawn last year.

Mr. REID.—Yes; but the broad result affecting the finances of the States is that they will receive back this year more than £500,000 less than they received last year, and that, with a practically stagnant revenue, our expenditure is to be increased by 12½ per cent., while £200,000 which should be obtained for services rendered is to be surrendered. Revenue to the amount of £200,000 is to be given up without any demand from the public for such action. The picnic of the Postmaster-General to Rome is going to cost the Commonwealth a large sum of money. He must have got the idea there, when mingling with the distinguished men who formed the Conference which he attended. He has come back with these grand ideas, but let us see how they affect the position of the States. No State has had a more bitter trial with misfortune than has Queensland during the last few years.

Mr. MCWILLIAMS.—Or Tasmania.

Mr. REID.—The finances of Tasmania and of South Australia have also been strained. Those three States have suffered severely. Queensland has just had another blow, owing to our very proper action in regard to the opium trade, whereby the State loses revenue to the amount of £22,000 per annum. We do not mind that, because the object which is being achieved is such a good one; but on top of this loss of £22,000 is to come a loss of £29,000 in carrying out the proposal of the Postmaster-General, or a total loss of £50,000. To New South Wales a loss of revenue of £50,000 or £100,000 per annum would not mean much.

Mr. McLEAN.—In addition to the loss of which the right honorable member speaks, there will be a great curtailment of country services.

Mr. REID.—Yes. That aspect must not be forgotten. Tasmania will lose £14,000 a year and South Australia about £22,000.

Mr. BATCHELOR.—Together with £7,000 in connexion with the opium reform, making about £30,000 altogether.

Mr. REID.—I look upon the establishment of penny postage throughout Australia as a noble idea, but, like many other splendid ideas, it must be approached rather slowly. I do not think that there is a man in this Chamber who would grudge the expenditure of money for extending the facilities of the post-office to the most remote settlements. That is the direction in which we should be liberal. If we have £200,000 to spare, we might very well spend it in extending the postal service to the most remote parts of Australia.

Mr. JOHNSON.—And in giving better telephone facilities.

Mr. REID.—I do not think that the Committee would grudge the expenditure of £200,000 in extending the postal service, and in giving better telegraph and telephone facilities to our pioneers. The great bulk of the advantage to be gained by the adoption of the Postmaster-General's proposal will go, not to the poor or to the pioneers, but to the great commercial interests of Australia. If the state of the revenue would allow us to make the sacrifice, I would agree to the giving of this boon to the commercial classes, because of its probable effect in increasing trade. But, at a time when the revenue is practically stagnant, and our liabilities increasing, the proposal is indefensible. Of course, it will be popular in business circles; but it stands out in singular contrast to the action of the Postmaster-General in trying to get a few extra pennies from the telephone service by the adoption of the toll system. There is no consistency in the honorable gentleman's policy.

Mr. AUSTIN CHAPMAN.—In both cases a reduction is proposed.

Mr. REID.—I admit that the object is a good one, but I do not think we are at the present moment justified in giving up this large amount of revenue.

Mr. AUSTIN CHAPMAN.—Does the right honorable member think that we should be justified in raising the Victorian postage rates to the level of the New South Wales postage rates?

Mr. REID.—I shall be willing to consider the matter when a proposal to that effect is brought forward by the Postmaster-General. With reference to our trade, I should like to mention some rather interesting results, which I have obtained from the statistics which have been so well prepared by the Treasury Department. In the first place, the importance of our primary industries stands out when the total value of our exports of primary produce is seen. In an export trade valued at £54,000,000, more than £50,000,000 represents the value of primary products. When statistics are given showing the enormous wealth per head of population in Australia, some self-satisfied Australians think what marvellous people we must be; but it is Nature that is producing this wealth for us. Whilst we have magnificent developments of personal enterprise, taking into consideration the sparseness of our population, the crowning factor in our marvellous progress is the fact that our great primary industries are making wealth for us without any personal effort of a commensurate character. I wish now to refer to the figures dealing with the trade between Australia, the motherland, and foreign countries. Another of the skeletons in the Ministerial cupboard is fiscal peace and preferential trade. Ministers are now going to put up a high Tariff wall, which will injure the trade of the mother country. Their supporters are visiting the factories, making speeches; and the honorable member for Bourke told a meeting the other day that we should build our Tariff wall as high as that of the United States.

Mr. MAUGER.—Mr. Irvine says the same thing.

Mr. REID.—It does not make the situation any better that Mr. Irvine should have gone back upon his old fiscal faith. I am not responsible for this extraordinary development; that is a matter for him to explain.

Mr. FRAZER.—The Opposition are a happy family!

Mr. REID.—At any rate, we can talk frankly, which is sometimes more than a bullock-team can do. The Prime Minister has unfurled an enormous flag, bearing on it the legend—"The mother country for ever, and preferential trade," while the Government Whip is walking after him, holding aloft a little piece of calico, on which is written—"Down with the British manufacturer. Build the Tariff walls

of Australia so high that he shall not have a chance to even put his nose over." Can even the credulity of Victorian protectionists be imposed upon by inconsistencies so glaring as that? The two things will not hang together at all. We have already heard of the subsequent remarks of the men who have attended these gatherings. They go away saying, "These gentlemen with the big manufacturers behind them are sounding the drum, and we are good protectionists; but we are going to vote for a labour protectionist, and not for one of the long-coated brigade." They listen to these gentlemen with their tongues in the cheeks, and all the time say that, although the principles advocated are excellent, they are going to vote for their own men.

Mr. FRAZER.—There is no objection to their enjoying themselves.

Mr. REID.—No; but the question is whether they are getting any nourishment, particularly during a time that really ought to be devoted to that healthy object. With reference to our imports from Great Britain, I should like to point out that it is remarkable that, in spite of the absence of a preferential trade arrangement, during the eleven years from 1894 to 1905 the British goods sold in Australia were valued at £1,000,000 more than the increase from all the foreign countries of the world put together.

Mr. MAUGER.—The right honorable gentleman knows why that is?

Mr. REID.—If I were to go into these matters in detail I should occupy the attention of the Committee all day. I am merely putting to honorable members the broad results, which are susceptible of various explanations. In spite of the fact that we have imported largely from foreign countries having climatic conditions which are specially adapted to the cultivation of certain articles which cannot be produced in Great Britain, our trade with the mother country has increased by more than £1,000,000 above the increased trade with foreign countries. Then there is this extraordinary fact, which must not be forgotten: that the sales of the old country to ourselves have increased at twice the rate that her purchases from us have increased. I know that some protectionists lay great stress upon the importance of increasing our exports and diminishing our imports. Our imports from Great Britain have increased to the extent of £7,300,000, whereas our

exports to Great Britain have increased to the extent of only £3,750,000, or about half. But we cannot shut our eyes to the gratifying feature that, whilst our import trade with foreign countries has increased by £1,000,000 less than has our import trade with Great Britain, our exports to foreign countries have increased instead of decreasing. Whilst our imports from foreign countries have increased by only £6,000,000, our exports to foreign countries have increased by £11,000,000. No one could quarrel with a development under which we send out to foreign countries twice as much as we receive from them. We have to remember that all these foreign countries are taking our primary products at an enormous rate.

Mr. MAUGER.—They would take them under any circumstances.

Mr. REID.—I do not suppose the honorable member objects to that.

Mr. MAUGER.—They take them because they want them.

Mr. REID.—Then it is gratifying to find that they want our products. I do not care how the matter is put. So far as the producer is concerned he does not care why they take his produce, so long as they take it.

Mr. JOHNSON.—We shall have them complaining of our dumping.

Mr. REID.—Talking about dumping, when I was recently in Queensland, I made this discovery: The complaint of the people there is not against the British or the foreign dumper, but against the Victorian dumper. They say that it is the dumpers of the two big manufacturing centres, Melbourne and Sydney, who are throwing their artisans out of employment. I told the people that this was one of the legitimate fruits of Federation, and that the manufacturers of Melbourne and Sydney had a perfect right to the market of Queensland, whilst the Queenslanders derived great advantages from having the Melbourne and Sydney markets thrown open to their sugar and other products. I am merely showing how the shoe pinches the people of Queensland.

Mr. JOSEPH COOK.—It also pinches Tasmania.

Mr. REID.—Yes; Tasmania is suffering also. The people of Queensland say that a higher Tariff, instead of helping them, will only aggrandise the manufacturers of Melbourne and Sydney. I should like to express my great gratification, which

I am sure is shared on all hands, at the general prosperity which has come at last all over Australia. It is a subject of gratification, particularly after the terrible pictures that were drawn of the fearful suffering brought about in Victoria through the closing up of factories, owing to the operation of the Federal Tariff. It is very gratifying to know that there is already a turn of the tide in Victoria. Whatever our views upon the fiscal policy may be, we must all be delighted. I say that a man in New South Wales, who is not as delighted at the prosperity of Victoria as with that of his own State, is entirely deficient in a proper comprehension of what Federation means. I look upon the undoubted increase of the prosperity of Victoria as one of the most gratifying signs in the circumstances of Australia to-day. As so many gloomy pictures were drawn by the *Melbourne Age* in connexion with the alleged strangling effects of the Tariff, I should like to quote some remarkable testimony given by that newspaper as to the glorious prosperity which has come upon Victoria, even under the present unfavorable conditions. The *Age* of the 22nd June, referring to the statement made by Messrs. Mann and Fleming, that there were 5,000 unemployed in Melbourne, said—

That is a most serious statement. If it were capable of being substantiated, the prosperity on which we have been priding ourselves of late would be proved a hollow sham, and we should then have occasion to doubt the accuracy of the statistics recently published concerning our expanding trade. The Customs returns show that for the first five months of this year our oversea agricultural exports have increased by £1,159,000, compared with the corresponding period of 1905. The wheat yield for the past season has been estimated at 24,000,000 bushels, an average of more than 12 bushels to the acre, and at the same time, notwithstanding our steadily increasing population, general imports from abroad have notably diminished.

This must have been gratifying news to the protectionists of Victoria, who have told us that the Tariff was swamping Victorian industries. The *Age* continued—

These figures testify that in every department of our industrial life we are forging ahead. Our agriculturists are thriving, and our manufacturers, despite the handicaps they have at present to fight in the shape of ineffective protection, foreign trust competition, and many lamentable holes in our tariff fence, are beginning to overtake and supply the wants of the people with the products of Australian labour.

Yet, although we are now producing at a rate in excess of all past precedent, we are asked to believe that we have more unemployed in the city to-day than ever. Public prosperity does not reveal itself only in statistics. It is quite apparent that we are a prosperous people. In many parts of the country there is a call for unskilled labour, which halts to be satisfied. Almost all our trades are flourishing, and the demand for skilled workmen is at least equal to the available supply.

It is very gratifying to note that the Jeremiah of Victoria is bursting out into a song of praise and jubilation. The dark cloud has passed away, and in spite of the defects in the Tariff, which the *Age* was among the first to point out, it is now able to assure the people that the great industries of Victoria are in a flourishing condition. There is no greater proof of that fact than is to be found in the condition of the agricultural implement industry, for which the worst fate was predicted. It was stated that the wicked Canadians and Americans were ruining the agricultural implement industry of Victoria; but what is the present condition of affairs? The returns are most astonishing. No industry in Australia shows a more rapid development during the past three years. In 1902 789 hands were employed; in 1903, 1,114; in 1904, 1,496; and in 1905, 1,624. Thus there has been an increase of 106 per cent. in three years.

Mr. JOHNSON.—That is in one of the declining industries.

Mr. REID.—Yes. Victoria is the only place in the world in which we find people libelling their own country and disclaiming their own prosperity. Here is a magnificent development. The number of hands employed in the agricultural implement industry has been doubled in three years, and yet we have these unpatriotic and absolutely false descriptions of the condition of the people connected with the industry. This has been the most elastic progressive industry in Australia from the point of view of the employment afforded. The total returns for Victoria show that in 1904 there was an increase of 3,000 hands in the number of workers employed in the factories, and a further increase of 3,000 hands in 1905. Therefore, whatever our fiscal views may be, we must be delighted to find that in spite of the Tariff, which is certainly lower than that to which Victoria had been accustomed, the industries of the State are not showing any sign of degeneracy, to say nothing of the predicted ruin. The remarkable fact is that Victoria was at her worst

when she imposed the highest duties. Desperate efforts were made to put things right by adding to the duties after the panic of 1893, but as the duties went on the people went out.

Mr. JOHNSON.—Mr. McKay makes a clear profit of £28,000 per annum.

Mr. REID.—Mr. McKay is a very clever man. He removed his works to Braybrook in order to evade the operation of the Victorian Factories and Shops Act. He went away from the great city of Ballarat to Braybrook to escape from the laws of the country, and yet he is the one man who has been championed in this Chamber from first to last.

Mr. BAMFORD.—Only one class of Mr. McKay's employes would come under the Wages Board provisions of the Act.

Mr. REID.—I see that the Government are going to extend the operation of the Act to Braybrook, so that evidently they consider that it is necessary to apply it to Mr. McKay. I do not know what the real cause was, but I think that Mr. McKay objected to the Factories Act in so far as it prevented him from employing a large number of boys in proportion to the men engaged. Under the Wages Boards, the employment of only a small number of boys is permitted, and I understand he has a very much larger proportion of boys at his works at Braybrook. I do not feel any particular sympathy with Mr. McKay under the circumstances.

Mr. BAMFORD.—Nor do I.

Mr. REID.—I think that Mr. McKay's invention is one of a most useful character, and that his career as an inventor is one that we cannot help admiring. It is the use that Mr. McKay is trying to make of his previous enterprise and exploits that I do not quite sympathize with. Now, with regard to the question of immigration, which has been elevated to a position of great importance by the Government, and with regard to which I hope that they will take some effective action, I wish to direct attention to the significance of the returns. During the last five years we have added 286,000 infants to our population, but for the whole of Australia our excess of immigration over emigration has amounted to only 440 souls per annum. At that rate of immigration it would take us 800 years to equal the increase by immigration during the ten years from 1880 to 1890. Is it not most significant

that this great Commonwealth, instead of being in the highest degree attractive to the enterprise of the world, should have been for all these years under the shadow of a black cloud, and that the stream of immigration should have been practically stagnant? So far as I am concerned, I will never be a party to any immigration which will have the effect of increasing the population of our big towns. I think it would be a crime to spend public money in gorging the over-crowded cities of Australia. There is no patriotism in that. The current of immigration that I desire to assist is the immigration of persons who will devote themselves to the primary industries of Australia. That is the sort of immigration we want. We want to make the current flow from the towns into the country, instead of from the country into the towns. I merely wish to touch briefly upon these matters, because I do not think I would be justified in occupying very much time at the present juncture. But I wish to refer to the proposed duties upon spirits. The Government proposals in this connexion are very important. So far as my experience as an ex-Treasurer of New South Wales goes, and so far as I can learn, the proposed increase of 1s. per gallon in the Customs duty upon spirits—an increase from 14s. to 15s. per gallon—is an absolutely unjustifiable one. It will only have the effect of increasing the evils connected with the spirit trade, and will not be of the slightest benefit to any proper interest. I would have supported the recommendation of the Tariff Commission in this connexion, because my view has always been that, having appointed a body of able gentlemen, who have exhibited marvellous industry in conducting their inquiries, we should, wherever possible, presume in favour of their mature and deliberate conclusions. I was prepared to accept their recommendation implicitly—

Mr. WILKS.—They were unanimous upon the question.

Mr. REID.—Exactly. Their recommendation was that of the whole Commission. I think that wherever we can we should give effect to the improvements recommended by the Commission without delay. But the Government proposal will probably involve a long debate. The experience of all Treasurers is that if the duty upon spirits be raised beyond a certain point the revenue will gain nothing,

while the quality of the article will deteriorate.

Sir JOHN FORREST.—In Western Australia, for many years prior to Federation, the duty was 16s. per gallon.

Mr. REID.—But Western Australia occupied a different position from that of the other States. Her people could stand anything in those days; but in these older States the imposition of such a duty would constitute a strain upon the purity of the article which would do more harm than good. Moreover, the revenue will not be improved if the proposed duty upon spirits be ratified by Parliament. During the bad times in Victoria the Customs duty upon spirits was increased from 13s. to 15s., and the Excise duty from 10s. to 12s. The result was that, whereas under the old rate of 13s. per gallon a revenue of £806,622 was collected, under the 15s. rate only £472,805 was collected. In other words, there was a loss of revenue which represented nearly 50 per cent. Of course, it is only fair to remember that the bad times which had fallen upon Victoria and upon other parts of Australia were an element which contributed to that loss. But that factor did not fully account for the enormous decline which took place in the Customs receipts. I wish now to say a few words with reference to a very important question connected with the financial provisions of the Constitution—I refer to the taking over of the States debts. This matter has been exhaustively dealt with by the Treasurer and the honorable member for Mernda, and consequently I do not intend to deal with it in detail. I propose to give the fullest consideration to the schemes of both those honorable gentlemen. I do not forget the very valuable service which was rendered by the honorable member for Koovong last session in bringing this matter before the House, and I am very glad that since then the honorable member for Mernda has devoted his large business and practical knowledge, and his great political experience to it. I would like to put the position as it occurs to me in this way: The scheme of the honorable member for Mernda, if it will stand the test of criticism, and elaborate, careful scrutiny, possesses some splendid features. It is a scheme which is well worthy of the fullest consideration. The only question which arises in my mind is, "Is it a sound scheme?" I am not

competent within the few days which have been available to me, to express an opinion upon that subject, but I do say that the scheme is worthy of the fullest consideration. I hope that the States Governments will express their views upon it, and also upon the scheme submitted by the Treasurer. The latter follows very closely the lines laid down at the Hobart Conference of Premiers. The Treasurer has adopted very largely the view of that gathering. But there are features connected with the scheme of the honorable member for Mernda which demand the closest attention, because of the obvious advantages which would be conferred by several of his proposals if they could be carried out in fairness to the States; and we must always be anxious to consult the financial authorities of the States in dealing with these problems. There is a little bit of bookkeeping, however, which ought to be ended without delay—I refer to the bookkeeping which relates to goods passing from one State to another. We had a general idea that that sort of thing had been done away with. It was one of the objects of the framers of the Constitution that at the end of five years' experience of the bookkeeping system this Parliament should be able to settle the matter. The view taken by the delegates was that, in the course of five years, we could surely gain some approximate idea which would enable us to dispense with these differences. I do not want to look too closely at profit and loss in matters of this sort. We shall never realize the spirit of Federation, and bring about its smooth working, until we get rid of these constant sources of irritation. At the present time there is a sort of inquisition established over the movements of trade which is very much to be deplored.

Sir JOHN FORREST.—The smaller States cannot afford to depart from the existing practice.

Mr. REID.—Surely an arrangement might be made. I desire that any arrangement which may be made shall operate fairly to the several States.

Mr. HARPER.—But Tasmania and Queensland object.

Sir JOHN FORREST.—And Western Australia also.

Mr. REID.—In establishing a basis which would avoid the existing trouble, their claims should be thoroughly safeguarded.

Mr. HARPER.—In getting rid of the necessity for the present system?

Mr. REID.—Exactly. I do not wish to bring about any arrangement which would result in injustice, but with the ability and efficiency that we have in the Commonwealth Treasury, working in conjunction with the States themselves, we ought to be able to strike some basis—upon the experience of the past five years—which would be sufficiently fair to allow us to get rid of the present obnoxious state of things.

Sir JOHN FORREST.—We have to keep some accounts.

Mr. REID.—For statistical purposes, I suppose.

Sir JOHN FORREST.—That is all that is done between the two larger States.

Mr. REID.—But there are a lot of entries and certificates required which practically involve as much trouble as would be associated with the payment of a duty. The Treasurer should certainly use his influence to do away with this evil. Regarding the return of revenue to the States, the scheme of the honorable member for Mernda comes in very forcibly. But the Treasurer's scheme recognises the abnormal position of Western Australia, when it is in her interests to do so, and ignores it when it is in her interests to do so. The very reason which makes it necessary to give Western Australia special treatment renders his proposal that Western Australia should—on the basis of a five-years' test—

Sir JOHN FORREST.—My proposal is upon the basis of five years preceding the 31st December, 1910.

Mr. REID.—I am not forgetting that. But if honorable members will look at the working of the Tariff they will see that, on the basis of a five-years' test, Western Australia would get more than she is entitled to.

Sir JOHN FORREST.—Her population is increasing.

Mr. REID.—But, as her population increases, the rate per head will decline. The difference between the two processes is very well shown in the figures which have been supplied by the Treasurer, and which enable me to ascertain the *per capita* payment of Customs and Excise. I find that in 1901-2 in Western Australia this payment amounted to £5 16s. 4½d., but five years later it had fallen to £3 14s. 9½d.—a decline of £2 1s. 7d. per head. In New

South Wales, during the same period, instead of a fall of £2 1s. 7d., there was an increase of 2s. 5d. per head, whilst in Victoria there was an increase of 2s. 4d. per head. Consequently, if we take these returns upon a fluctuating basis, we cannot accept them in the case of Western Australia, and for obvious reasons. If we did so it might very conceivably happen that we should be giving to that State a basis for a number of years which would not be fair to the other States.

Sir JOHN FORREST.—Western Australia merely wants what is fair.

Mr. REID.—The only thing is to get the "other fellow" to think so.

Sir JOHN FORREST.—It is quite open for the right honorable member to suggest a more equitable plan.

Mr. REID.—I am not endeavouring to criticise the views of the Treasurer in this connexion.

Sir JOHN FORREST.—To adopt a *per capita* basis would not have been proper or reasonable.

Mr. REID.—I quite agree with the Treasurer that we could not adopt a *per capita* basis in the case of Western Australia at the present time. But after making proper allowances for inequalities we might approach as soon as possible to a *per capita* basis. Surely we can make some allowance for Western Australia which would bring about that result. The theory of the framers of our Constitution was that in five years we ought to be able to hit upon some scheme which would get rid of the necessity for keeping these accounts. I am thoroughly in favour of any scheme which will get rid of them at the earliest possible moment, and in making any arrangement of that kind we can take into account the special circumstances of Western Australia.

Mr. FISHER.—It is a remarkable thing that of late years the transfer of goods to Queensland has been larger than it was formerly.

Mr. REID.—Yes. There has been dumping from Victoria instead of from England. But that is part of the Federal compact. We cannot have the sweets without also taking the bitters. With reference to the conversion of the public debts of the States. I think that all these discussions are bringing us nearer to the adoption of some feasible plan. In this connexion I may be allowed to indulge in one personal reminiscence. When the Con-

vention was sitting, I made a desperate fight—and was successful—to induce its members to substitute the word "may" for "shall." I pointed out that if the word "shall" were retained, all the bondholders of the States would get the benefit of the Commonwealth guarantee without being called upon to pay anything for it. At that time—as it turns out—we had exaggerated ideas regarding the difference between the Commonwealth and the State brand upon stock. I thought that it would be a monstrous thing to give the London stock-jobbers the advantage of the Commonwealth brand, and to give the Australian States no advantage whatever. The Treasurer has recently been to London, and he has made an observation in his Budget which is exactly upon the lines of the effort which I made upon the occasion to which I have referred. When the Convention was sitting we thought that there were millions sterling to be made by substituting the Commonwealth for the States brand upon stock. We thought that our present bond-holders would run after the Commonwealth bonds, and that we should be able to make a large saving for the States. But somehow Federation has not worked out in that way. Apart from the question of whether or not the Federation has worked well, it is only fair to say that one reason for this is that, individually, the States are so sound.

Mr. HARPER.—There was never any doubt about that; but the holders will not surrender their securities. They will not convert.

Mr. REID.—They will not give up something for nothing.

Mr. FISHER.—According to their view, the security of an individual member of a family is as good as that of the whole family.

Mr. REID.—It is not when it is that of a younger son, but it is in the case of a political family. The fact is that the security of one State is as good as that of another, and that being so, investors do not rush for a Commonwealth security.

Mr. HUME COOK.—The Canadian experience is slightly different.

Mr. REID.—The circumstances may have been a little different, but the Treasurer, who is in close touch with the leading financiers—

Mr. JOSEPH COOK.—That is all very well, but Mr. Coghlan points out that our politics are affecting the question

Mr. REID.—That is not surprising, since, so far as I am aware, there is no Socialist party on the London Stock Exchange. I have no desire, however, at this stage to enter upon controversial matters to a greater extent than is necessary. There are a number of subjects with which I desire to deal briefly. I recognise the great difficulties with which the Treasurer is confronted in reference to taking over the public debts of the States, and to some other schemes. The problem is a most difficult one, but the light which has been thrown upon it by the right honorable gentleman, as well as the honorable member for Mernda and Senator Pulsford, should help us soon to deal with it. It is a matter of great urgency, for within the next eight or nine years we shall have about £58,000,000 of States securities coming in. The moment the Treasurer or his successor can inform the House that he has arrived at some agreement with the States Governments—and I regard that as a vital point in the transaction—honorable members will be only too anxious to give effect to it.

Mr. FISHER.—And if the States will not come to an agreement?

Mr. REID.—Then we shall have to do the best we can, but an agreement ought to be possible. I have now to deal with a sudden inspiration on the part of the Government, to which no reference is made in the Budget. We have been told during the last few days—although there was no reference to the question when the Electoral Bill was before the House—that the Government, in spite of their desire to give effect to the reports of the Tariff Commission, are going to bring in some extraordinary Bill to affect the voting at the next general election. Why did we not hear long ago of this proposal? What sudden inspiration is it? Where does it come from? Who prompted it? What is its object?

Mr. WILKS.—To help the Labour Party.

Mr. REID.—I do not think so. In Germany the effect of the second ballot was that eighty-five of the Socialists who were returned on the first ballot were rejected on the second, all the other parties having combined against them.

Mr. FISHER.—I do not think it was quite as bad as that.

Mr. REID.—After all, that is a personal matter, to which we should pay no reference. We have to consider, not how

a system would affect any party, but whether it would tend to the convenience of the electors, and work favorably from their point of view. But the proposal that in Australia, with its enormous Commonwealth electorates, two ballots should be taken, is the most idiotic of which I have ever heard.

Mr. FOWLER.—It is intended to wipe out "the chartered libertine" of the *Age*.

Mr. REID.—If we really think that the present system is not the best, and that some change is necessary, it would be absurd and cruel to cause the electors in country districts to travel miles and miles to vote a second time, when under another system they can by the one operation vote for every candidate in the order of their preference. I refer to the contingent vote system, which is in force in Queensland.

Mr. FISHER.—That system could not be applied to elections to the Senate.

Mr. REID.—The question is whether the honorable member's party are going to support this proposal. If they are, it will go through; if not, it will be rejected.

Mr. FISHER.—I know nothing about it.

Mr. REID.—My honorable friend, as the honorable member for Wide Bay, knows nothing about the intention of the party, but as a member of the caucus he knows all about it. Amongst the curious exhibitions by the Melbourne *Age*, that which it has given in relation to this question is one of the most absurd. The *Age* proprietary appear to have two different offices. In one of them a leader for publication on Tuesday is written, and in the other office another fellow, who never sees the *Age*, writes one for publication on Wednesday. I am going to read the leader published in the *Age* of Tuesday last.

Mr. TUDOR.—Is the right honorable member going to read all the hard words about us?

Mr. REID.—I am. This Government is the product of the Melbourne *Age*. It is the *Age* Government. There is no doubt about that.

Sir JOHN FORREST.—Is that so?

Mr. REID.—The honorable member knows that it is. It is true that one of its members is an unruly colt, who shows in a number of ways that his manliness is of a much higher order than is his poetry.

Mr. WILKS.—And yet he is called "the steam-roller."

Mr. REID.—We may criticise the right honorable gentleman, but I am sure that we have a good deal of personal good feeling for him.

Mr. WILKS.—He does not know where he is.

Mr. REID.—I approve of that, because it may lead to the right honorable gentleman some day coming our way. I do not like fixed quantities. One is reminded of the difference between an old bullock in a team and a stray one. One never knows when the latter will come one's way—it is the bullock in the team of which one cannot obtain a hold. This is what the *Age*, in its issue of Tuesday last, says of the party that is keeping its Government in office—

It is thus that we have a Labour Party, ignorant, inflated, infatuated and uninformed, chartered libertines in the political arena—

What should we say on that point about the *Age* itself?—

cut off from their natural congeners, the liberal trunk, effecting no good—

Mr. BAMFORD.—That is intended to apply to the members of the State Labour Party.

Mr. REID.—That is about the meanest statement that a member of the Labour Party could make. The honorable member is trying to shift this abuse on to his brother labour men in the State arena. But unfortunately the *Age* makes it perfectly clear that its remarks apply to the Federal Party.

Mr. FRAZER.—The honorable member was only joking.

Mr. REID.—I recognise that. The article continues—

and efficient only in arresting the true march of progress.

That being so, twenty-five honorable members who are keeping in office the progressive Government of the *Age*, are arresting the march of progress. This is one of the basest pieces of ingratitude of which I have ever heard. If the Labour Party were supporting me, the position might be different. But considering that it is supporting the *protégés* of the *Age*, this is one of the roughest comments that could be made.

Mr. HUGHES.—The right honorable member, had he been in charge, would not have allowed us to suffer silently and meekly.

Mr. REID.—No. When the honorable member and his friends were under my

wing, I was a nurse and a mother all of them. The honorable and learned member and his party must recognise sort of people with whom they are associating.

Mr. HUGHES.—In that case, we must regret that we left the right honorable member, or that he left us.

Mr. REID.—I was going to say that the Prime Minister has spoken of the base, black ingratitude of the Labour Party. He has said that he might serve them for years, and that if they did not agree with him on one point, they would then throw him out. But the attack by the *Age* is the basest ingratitude of all, and it is only the preliminary to a development for which I am sure the Labour Party have from the first been prepared. As long as use can be made of the Labour Party, they are in the van of liberal progress, but when they decline to submit to the domination of the *Age*—when they reject and scorn the *Age*—that journal turns upon them with the same plenitude of abuse which it has bestowed upon others.

Mr. BATCHELOR.—I do not think that it has made any material variation.

Mr. REID.—No, but it has varied the target. This abuse used to be showered on me alone. The article continues—

Here, too, another consideration arises which no progressive Government should ignore.

Fancy this progressive Government ignoring the Labour Party. It is a pitch of political idiocy that only a leader-writer of the *Age* would be capable of—

Not only has this Labour Party run wild and spoiled the orderly development of liberal and progressive thought, but by means of the split vote in the State—

And this is where the Federal party comes in—

just as in the Federal sphere—

The honorable member for Herbert cannot get over that—

it has led to complete political misrepresentation, to the representation of mere minorities, and the disfranchisement of majorities.

We come now to the remedy—

If we have a compulsory voting law, and an amendment of the Electoral Act providing against the split vote, so that all parties may be represented according to their true strength, the Labour Party, judging by the last returns, will be very lucky if it secures a dozen members in a House of sixty-five.

That reference applies particularly to the State Parliament—

These are invincible reasons for an amendment of our electoral machinery in the State in the same way that the Federal Government has decided.

Next day, having abused the Labour Party in a way that even its bitterest enemy could not fairly do—having gone beyond the range of legitimate abuse—

Mr. HUGHES. — What is the range of legitimate abuse?

Mr. REID. — That beyond which the Prime Minister or I would not go. The next day this infantile series of editors, having pointed out to the Labour Party that they could get seven seats through the present ineffective state of the electoral law, published the following statement:—

It is manifest, then, that, not alone does a great political principle depend on the passage of this Exhaustive Ballot Bill—

The reference is to the projected Federal Bill—

but the immediate party interests of Labour and of Liberalism are equally bound up in it.

When a newspaper in one day's issue points out that the Labour Party has, so to speak, been "murdering" the electors because of the want of this reform, and on the following day implores the Labour Party to join with the Liberals in order to carry that reform, it reaches the height of inconsequential absurdity which, while it may suit the ill-informed readers of that paper, passes entirely beyond the bounds of ordinary journalism. If I thought that the principle of the second ballot was good from the point of view of the electors, I should not be influenced by any considerations as to whether it would or would not suit any particular party. The only way in which this proposal, if it is a good one, can be carried out with any regard for the electors, is by affording them an opportunity to go to the ballot-box, and express their opinions on every one of the candidates in the order of their preference for them.

Mr. FISHER.—Will the right honorable member be surprised to learn that, although the *Age* ticket polled the fewest number of votes at the last general election for the Senate, it secured the return of two candidates, whilst the *Argus* was unable to secure the return of any of its candidates, and the Labour Party had one returned?

Mr. REID.—I am not surprised at anything that happens in Victoria. But the

next election will show a marvellous change. When the *Age* ticket loses the support of the labour protectionists and of the anti-Socialists, those nominated by that newspaper will find themselves between two stools.

Mr. FISHER.—But, although the *Age* candidates received the lowest number of votes, two of them were returned.

Mr. REID.—If that was so, it was a great calamity.

Mr. FISHER.—The Labour Party obtained the largest number of votes, and had one candidate returned, while none of the candidates of the *Argus* were returned, although a larger number of votes were cast for them than were cast for the candidates of the *Age*, of whom two were returned.

Mr. REID.—There is one great cure for that evil. The electors, instead of splitting themselves up into two or three parties, should make up their minds to have a straight line of cleavage between two parties. This very newspaper which is now denouncing the evil of split votes, has done more to re-introduce the evil of split politics and split parties than has any other newspaper in Australia. It fought to produce a split in the ranks of those opposed to the Labour Party, and, having succeeded, is not satisfied with its work. I believe that at the next election the great majority of the electors will take one side or the other, and will thus see that effect is given to their votes. I should like now to refer to the results of our sugar legislation upon Queensland. I am glad that the experiment of trying to produce sugar wholly with white labour is answering very much better than many of us thought it would. The figures which have been placed before us are very encouraging. But the problem is by no means settled yet, and, if it should happen that white Australian labour cannot be obtained for employment in the cane-fields, we must help the growers of cane by introducing white labour from other parts of the world. If Australian labour will do the necessary work, all will be right; but, if Australian labour, although able to, will not do it, the growers should be considered by the introduction of white labour from other parts of the world.

Mr. WATSON.—It is only a question of wages so far.

Mr. REID.—Until now the experiment has answered better than many persons hoped it would answer. Honorable members

will recollect that, when speaking on the motion for the Address-in-Reply, I made an earnest appeal to the Government to carry out the deportation of kanakas with some regard to humanity. In some respects they seem to be adopting rules of which we must all approve. In accepting the recommendations of the Queensland Commission, they are having regard to the interests of humanity.

Mr. FISHER.—And that is not being objected to.

Mr. REID.—I have not heard any one object to it, and I am glad that the Government are taking this action. But I understand that this is the position: The Treasurer tells us—and he, no doubt, has made proper inquiry—that by the 31st December next the Government will have been able to deport 900 kanakas out of about 4,000 now in Queensland. That will leave over 3,000 in the State on the 1st January next. But, by the laws of Queensland, those kanakas cannot, from that date, work for any one in the State. They will not be able to earn a shilling after the end of this year. The people of Queensland will be left standing beside these unfortunate kanakas, unable to offer them work. This state of affairs will shock the civilized world. They will be told that these 3,000 kanakas were brought from their homes to Australia, and that now the Commonwealth—because we must take responsibility for the effect of State legislation in this matter—penalises any one who will put bread into their mouths by giving them a shilling's worth of work.

Mr. LONSDALE. — Is this making the bounds of freedom wider yet? The position is an outrage upon civilization.

Mr. REID.—It is not the policy of any one party that is responsible for it; all parties are responsible for it. My remarks acknowledge a responsibility for our kanaka legislation equal to that of the Government. I am not trying to make political capital out of something which has already happened, which it would be easy to do after the 1st January next; I am repeating what I said on the Address-in-Reply. It is now August, and, while there is yet plenty of time to put matters right, I call upon the Government to save the name of Australia from universal execration, by having the law amended, so that during the ten or twelve months which must elapse before these people can be deported in a humane and

considerate manner, they may be allowed to work for their living.

Mr. FISHER.—Under the Queensland law the kanakas could not work after their agreements were up. They had simply to wait about until boats were ready to return them to their islands.

Mr. LONSDALE.—It is a disgrace that it should have been so.

Mr. FISHER.—Most of them desire to go back, and can be shipped away early in January.

Mr. REID.—We are all equally responsible for our black labour policy. We have a joint stock liability, and, as sharing that liability, I implore the Government to make arrangements for the deportation of the kanakas by the 1st January, or within a month or two afterwards, and for their proper housing and feeding until they can be deported.

Mr. BAMFORD. — There is a sum of £25,000 on the Estimates for the purpose.

Mr. REID.—I understand that that is to provide for the £5 a head to be paid for the deportation of the kanakas.

Mr. BAMFORD.—That has been paid.

Sir JOHN FORREST.—We are alive to our duty in this matter.

Mr. REID.—The Treasurer must forgive me for being alive to it, too. We have libellers enough in the world, and should not play into their hands by showing a lack of consideration in this matter. I wish now to speak about New Guinea affairs. I think that grave injustice is being done to a man who occupies a most trying and difficult position—the present Administrator of New Guinea. He suffers from the misfortune of not having been born in Australia, a thing which he could not provide for. Captain Barton went to New Guinea with Sir George Le Hunte, and the first Deakin Administration appointed him to succeed that gentleman.

Mr. WATSON.—Not permanently—only as acting Administrator.

Mr. REID. — That fact does not affect my argument. The Watson Administration did not interfere with the appointment, nor did my Administration. I came to know a good deal about the work which that officer is doing in New Guinea, and I consider that the way in which he is now being treated is not creditable to the Government. If he is removed from his position without good cause, in order to place there some other person, he will have good reason to complain. If he is put out of office, not

because he is unfit, but to allow some other person who is an Australian to be appointed to it, undying disgrace will attach to the Government. I wish to say, for what it is worth, that my impression of Captain Barton's work is of the highest possible character.

Mr. WATSON.—The Possession has been at a standstill under his administration.

Mr. REID.—Where there is a mere handful of white people, and hundreds of thousands of coloured savages, care must be taken to ascertain that the complaints of the whites are not due to the fact that the ruling authorities are doing their duty by protecting those who cannot represent their wrongs, or voice their complaints. If neglect of duty is alleged against the Administrator, he can be treated as any other public officer can be treated. I believe him to be one of the ablest and most self-sacrificing men in our Public Service.

Mr. HUGHES.—What does the right honorable member suggest?

Mr. REID.—Unless a well-founded complaint can be urged against him, Captain Barton is more entitled to the office than any other person. He has given years of hard work to the service of the Commonwealth.

Mr. HARPER.—And must have gained a great deal of experience.

Mr. REID.—Yes. He has played the part of a pioneer, and it would be a shame to deprive him of his appointment, except to place in his position a man of higher qualifications.

Mr. WATSON.—The only proper ground for removing him would be that he had failed to administer the affairs of the Territory in a proper way.

Mr. REID.—That is so. I am much obliged to the honorable member for his remark. It represents exactly what I wish to convey. The idea that some other man, simply because he has been born in Australia, should be put into his place, should not commend itself to any one.

Mr. HUGHES.—How long has Captain Barton been in New Guinea?

Mr. REID.—For some years.

Mr. HUGHES.—He went there in my time, or in that of the honorable and learned member.

Mr. REID.—If the honorable and learned member or myself were in a Government billet, we should not like to have another fellow shoved over our heads. He

knows how we feel when we are turned out of office.

Mr. HUGHES.—That does not prevent people from turning us out of office.

Mr. REID.—I hope that Captain Barton will be fairly dealt with.

Mr. BAMFORD.—The Government determined to take action in regard to Captain Barton before there was any talk of appointing an Australian, by approaching Sir William McGregor.

Mr. REID.—That is so.

Sir JOHN FORREST.—Sir William McGregor is a very experienced man.

Mr. WATSON.—There have been a number of complaints.

Mr. REID.—I understand that Sir William McGregor does not wish to take the position. In view of the experience possessed by Captain Barton, and the hard work which he has done, it would be a disgrace if the Government were to appoint even Sir William McGregor, eminent as he is, unless some well-founded complaint—and I know of none—can be urged against the present administration.

Mr. WATSON.—The complaint which has been made is that, since Sir William McGregor left New Guinea, affairs have been allowed to drift, and no help has been extended to settlers.

Mr. REID.—I do not wish to dogmatize.

Mr. WATSON.—I do not wish to do so either.

Mr. REID.—During the eleven months that I was in office, I was constantly in communication with, and receiving reports from, Captain Barton, and I say for what the statement is worth, that he made a most singular impression upon my mind as a man of extraordinary ability and activity.

Mr. BAMFORD.—The dissatisfaction in New Guinea is unanimous.

Mr. REID.—It may be due to a cause with which we should have no sympathy.

Mr. LONSDALE.—It may prove that Captain Barton is a good man for the post.

Mr. REID.—When a man is administering the affairs of 500 whites and 400,000 savages, the fact that he is not popular with the whites may be evidence that he is a fearless administrator, and is acting fairly between black and white.

Mr. WATSON.—I think that every one will admit that his protection of the natives is to his credit.

Mr. REID.—It is a great point in his favour as an administrator. We must all feel the greatest satisfaction that the Administrator of New Guinea, who is under the control of the Commonwealth, has a reputation for humanity in his dealings with the 400,000 savages whose destiny has been intrusted to us. I wish now to say a word or two in reference to the Defence Forces. I am very sorry to have come to the conclusion that they are in a most unsatisfactory state. There is no sort of harmony in the higher branches of the service, and some of the very best soldiers Australia ever had are leaving the forces because of their dissatisfaction. I am very sorry for this. I desire to enter my very strong protest against the application of the principle of "Australia for the Australians" to the appointment of an officer to take the supreme command of the Australian Defence Forces. If any Australian officer had had the necessary experience to fit him for the position of Commander-in-Chief, no human being would feel any sentiment but that of pride upon seeing him appointed. Every one would hail the appointment with delight. But if an Australian is to be appointed merely because he is an Australian, I think that we shall show a disgraceful lack of regard for the lives of our soldiers and volunteers, and for the interests of our whole defence system. We must all admit that it is impossible for the Minister of Defence — and my remarks would apply equally to all previous Ministers, except, perhaps, the honorable and learned member for Corinella, who has had considerable experience in connexion with military matters — to judge as to the military qualifications of a candidate for the position of Commander-in-Chief. I wish to know, with reference to the highest position of command in connexion with our Defence Forces, whether the Minister has obtained any expert opinion as to the qualifications of the gentleman proposed to be appointed. If Senator Playford merely thinks that a certain candidate is the best man, I do not value his opinion more than I would value that of any gentleman in the service of the House. One of the first conditions that should be fulfilled in connexion with such an appointment is that the candidate should have given practical demonstration of his qualifications, and I should like to know whether Senator Playford has satisfied himself that there is no man in the Home or Colo-

nial forces whose services could be commanded at a salary such as we are able to offer, who would possess superior qualifications and greater efficiency and experience than any man we have in our Defence Forces. Has the gentleman whom it is understood the Government intend to appoint ever commanded large bodies of troops in actual warfare?

Mr. WATSON.—He did very good work in South Africa.

Mr. REID.—Hundreds and thousands of men did that; therefore that statement goes for nothing. I do not wish to do a injustice.

Mr. WATSON.—I did not say that Colonel Hoad should be appointed; but we ought to do him justice.

Mr. REID.—I have no feeling of antagonism towards him.

Mr. FISHER.—I do not think he cultivates acquaintances, although that has been suggested.

Mr. REID.—I cannot say. I only know that, as Prime Minister, I was invited to attend at the railway station at Spencer street to receive him after his return from Japan as an *attaché*. I thought that that was rather a stiff thing. Of course, Colonel Hoad would not have been a party to that but probably it was suggested by some kind friends of his. At any rate, I thought it was an extraordinary thing to ask the Prime Minister to do. If he had been a personal friend there would have been nothing extraordinary in the request. However, I have no sort of prejudice against the officer in question, because I know nothing against him, and have not the pleasure of his acquaintance. I am speaking upon broad grounds. If any other officer had been concerned, my remarks would apply equally to him. During the operations in South Africa, scores of good soldiers had command of large bodies of men in actual warfare, and the services of one or other of these could surely be obtained. A man who has had command of large bodies of men in actual warfare, other conditions being equal, must surely be the best man for the position of commander-in-chief of our Defence Forces. An officer who has not had such experience might be a good theorist, and might have a perfect knowledge of military tactics, and might, perhaps, develop perfect qualifications in a time of danger; but—

Mr. FISHER.—Twenty per cent. of the men in the ranks would make good com-

manders, if an opportunity were presented to them.

Mr. REID.—In the administration of great military affairs in time of war, we should not put in the supreme command a man who had never been accustomed to control large bodies of men.

Mr. HUTCHISON.—What about the American Civil War?

Mr. MCCAY.—The great curse of that war was the inefficiency of the officers.

Mr. FOWLER.—Hundreds of thousands of men were butchered uselessly owing to their bungling.

Mr. REID.—The raw material of the armies engaged in the Civil War of the United States was the grandest in the world, but for two years the stronger and better-equipped armies of the Northern States were slaughtered by tens if not by hundreds of thousands, because the officers had to be trained through the shedding of the blood of those led by them.

Mr. HUTCHISON.—That applies also to British wars.

Mr. REID.—That is my point. Owning to the experience gained in that unhappy war in South Africa a number of officers have perfected their capacity to command large bodies of men in time of war.

Mr. WATSON.—We have men here who commanded large bodies of men.

Mr. REID.—I do not think that we have any man who had anything like a large command—who was responsible for the movements of large bodies of troops.

Mr. MCCAY.—We have officers who have commanded regiments—I do not think that any Australian officer commanded more than a regiment.

Mr. REID.—That is my impression. An officer commanding a regiment might be a possible Napoleon or a Wellington, but in the absence of the power of inspiration to enable us to detect that, we cannot with safety arrive at a judgment of his qualifications. The officer who has command of a regiment has to work under the brain of another man. He receives orders to move his men according to dispositions made by his superior officer. When we have offered to us the services of men who have controlled the movements of large bodies of troops, their claims ought to be considered, not in the interests of the officers themselves, but in the interests of the men whom they are to command. If two officers submit themselves, one having

commanded a regiment and the other having had experience in commanding brigades of regiments, and having gone through the arduous necessities of war, the latter should, other conditions being equal, be preferred, on the ground of experience, for the position of commander-in-chief. We cannot indulge in speculations as to how men would turn out. The matter is too serious for that. I wish to enter my strongest protest against the proposed appointment, unless the Government have taken some expert advice, the result of which is that the appointment has been pronounced a desirable one. When I speak of expert advice, I do not refer to our own officers. No doubt they would all consider that they were equal to the task—any man worth his salt would think that. If the Government, in making the appointment, act upon expert advice, I shall have not another word to say, and all my objections will be removed; but if the officer is to be appointed because, in the judgment of the Minister—a very worthy citizen—he is competent to fill the position, the course adopted will be one of which I cannot approve. How can it be said that the present Minister is competent to judge of the military qualifications of the candidates for the position? The whole thing is preposterous. Surely, if it is important that the Government should obtain the advice of the Imperial Defence Committee with regard to the pattern of fort they should construct in connexion with our defences, it is still more important that they should obtain expert advice in regard to the appointment of a commander-in-chief for the whole of the forces of Australia. I have to thank the Committee for having permitted me to deal with these matters. I have no prejudice against Australian soldiers, and if Colonel Head is appointed as the result of expert advice, I shall be glad to hear the statement made, and to express my perfect approval.

Sitting suspended from 1 to 2 p.m.

Progress reported.

CUSTOMS DUTIES.

In Committee of Ways and Means:

Sir WILLIAM LYNE (Hume—Minister of Trade and Customs) [2.2].—I move—

That from the 10th day of August, 1906, at 2 p.m., Victorian time—

(a) in addition to the duties of Customs imposed by the Customs Tariff 1902 on

the following goods, the following duties shall be imposed on the said goods :—

per cent.

Stripper harvesters, stump-jump ploughs, strippers, disc cultivators, winnowers, horse or other power 12½

Ploughs other, plough shares, harrows, chaff cutters, and horse gear, cultivators other than disc, scarifiers, malleable and other castings for agricultural implements 7½

(b) the following duties of Customs shall be imposed on the following goods :—

Manufactures of Metal, viz. :—

per cent.

Combined corn sheller, husker, and bagger, and combined corn sheller and husker 25
Plough mould-boards 20
Corn shellers and corn huskers 20

(c) the following goods shall be free of Customs duty :—

Manufactures of Metal, viz. :—

Hand-worked rakes and ploughs combined, hay-tedders, maize harvesters, maize binders, maize planters, mould-board plates in the rough and not cut into shape, potato sorters, potato raisers or diggers.

I submit this resolution in consequence of an announcement which appears in the *Argus* newspaper of this morning. It is very evident that somebody has given correct information to that journal regarding the recommendations of the Tariff Commission, and this fact has forced the Government to take immediate action, with a view to protecting the revenue. I wish also to announce that, as the Government have not had an opportunity to discuss all the details connected with the recommendations of the Commission, it may be found necessary hereafter to modify the resolution which I am now submitting. But, in view of the information which has been published in the *Argus*, there was no other course open to us than that which I am now taking. The resolution embodies the complete recommendation of one section of the Tariff Commission.

Mr. FOWLER.—It is not complete.

Sir WILLIAM LYNE. — I understand that it is. I am about to read some other recommendations, which I could not embody in the resolution, but which will be acted upon by the Government. The first is as follows :—

Providing that if the retail or selling price of any implement or machine made in Australia, similar to that upon which the additional duty is hereby imposed be raised above such prices ruling in Australia during 1905 the Governor-General may, in pursuance of a joint Address

by the Senate and the House of Representatives, suspend the collection of such additional duty upon any machine or implement for such time as may be deemed advisable.

The second recommendation of the Commission reads—

That if the majority of manufacturers of the machines and the implements made in Australia similar to those upon which additional duties are hereby levied do not, after the expiration of one year from the passing of this Act, pay their workmen engaged in making such machines and implements a fair and reasonable rate of wages, the Governor-General may, in pursuance of a joint Address by the Senate and House of Representatives, affirming that such fair and reasonable wages are not being paid, suspend the collection of such additional duty upon any machine or implement for such time as may be deemed advisable.

The third recommendation reads—

Provided that if within two years after the passing of the Act the retail price of stripper-harvesters made in Australia has been raised above £81, or if after the expiration of two years from the passing of the Act the retail price of stripper-harvesters made in Australia has not been reduced to £70, the Governor-General may, upon the receipt of a joint Address from the Senate and the House of Representatives certifying to the foregoing effect, by proclamation, suspend the collection of such additional duty of 12½ per cent. for such period as may be deemed advisable.

I have read these recommendations of the Commission, but I do not say that the Government intend to adopt them in their entirety, because—and I say this without in any way binding the Government—I am of opinion that the price named is too high. I think it is very possible that in the Bill which will be introduced the Government may stipulate for a greater reduction than is provided for in these recommendations. But, forced as we have been to take immediate action, I have brought forward these resolutions to indicate what the Government—

Mr. DUGALD THOMSON.—Suppose that the make of the machine, in consequence of the cost, is altered.

Sir WILLIAM LYNE.—The resolutions are merely an outline of what the Bill may contain, but I think that we shall endeavour to provide for all these details.

Mr. McWILLIAMS.—The Government will have to make some provision of that kind.

Sir WILLIAM LYNE.—Exactly. I wish honorable members to understand that I have been forced into this position by a highly improper action on the part of somebody. I can give the Committee my

assurance that the information which has been published has not emanated from my Department, because the recommendations of the Commission only came into my hands yesterday, and they have been locked up ever since. Consequently somebody else must have communicated the information to the *Argus*, and I venture to say that, in doing so, he committed a very reprehensible act.

Mr. WILKINSON.—Why do the Government exempt maize planters?

Sir WILLIAM LYNE.—The honorable member must understand that we intend to give effect to the recommendations of the Commission before they have been fully considered. We have not had an opportunity of fully considering them.

Mr. FOWLER (Perth) [2.12].—I presume that, as a necessary corollary of the Minister's pronouncement, he will at once publish the full reports of the Tariff Commission's recommendations regarding these items. Otherwise a certain portion of the recommendations of the Commission will still be unpublished.

Sir WILLIAM LYNE.—I have the report here, and I propose to lay it upon the table of the House the moment that I get a chance to do so.

Mr. FOWLER.—I am very glad to hear that. I would further suggest that the evidence which was handed to the Prime Minister last evening should be published.

Mr. DEAKIN.—I have given instructions for it to be circulated at the earliest possible moment, and I hope that honorable members who leave by the train this afternoon will be in possession of their copies before they go.

Mr. FOWLER.—I join with the Minister in regretting very deeply indeed that such a communication as appears in the *Argus* this morning should have been published. It came upon me as an astounding shock. Looking at the matter very carefully, I wish to express the opinion that, although the information appears in a free-trade newspaper, it is not a free-trade pronouncement. It is a distinctly protectionist pronouncement upon certain recommendations which have been made by the Tariff Commission.

Mr. FISHER.—Might not that fact merely be used as a cover?

Mr. FOWLER.—I am not discussing that. I say it is very singular that a free-trader should have emphasized the

phase of the question contrary to that which he would naturally be expected to emphasize. Be that as it may, the Tariff Commission intend holding a meeting this afternoon to see whether some understanding cannot be arrived at with regard to the origin of the particular series of paragraphs which appears in the newspaper to which reference has been made. I feel sure that if it is at all possible to trace the source of that information, the Commission will endeavour to vindicate itself in the eyes of the public. Personally, I think that the Commission as a whole is too fully seized of its responsibilities to have wilfully made public what is undoubtedly confidential information at the present time.

Mr. REID (East Sydney) [2.15]. — I regret that the Prime Minister has not acted upon the suggestion which I made to him when the proposals in regard to the Customs and Excise duties upon spirits were submitted.

Mr. DEAKIN.—I did, and I have been in search of the right honorable member for the last half-hour.

Mr. REID.—I was within the precincts of the building.

Mr. DEAKIN.—I was at the right honorable member's room.

Mr. REID.—I am quite satisfied with the explanation of the Prime Minister. We all have a common interest in this matter, and wish to assist the Government to protect the revenue. Consequently there can be no possible reason why the leader of the Opposition should not be informed of the intentions of the Government. I am perfectly satisfied with the statement made by the Prime Minister. What I should like to say, in the first place, is that it would be very inconvenient if these matters were not promptly dealt with. This step is absolutely necessary for the protection of the revenue, but there is also the corollary that the collection of duties without proper legal authority should never exist longer that is absolutely necessary. There is no legal authority to do what is now being done under these resolutions, although the object in view justifies the means. Practically, we all are at one with respect to that point. I would suggest to the Government, however, that it is important, when the law is suspended, as it is by a motion of this kind, to take the sense of the Committee with respect to it as soon as possible, so

that the uncertainty which prevails may be removed. I notice that portion of the motion that has been submitted goes in the direction of freeing some of the articles named from duty. Two different principles apply to the two different proposals. When it is proposed to impose a duty, it is necessary to secure the passing of a resolution to protect the revenue, but when it is proposed to free from duty certain goods, the position is different. We do not have a resolution freeing an article from duty. The duty is allowed to remain until the matter has been dealt with by Parliament. If it be ultimately removed, no harm is done, since a refund can be made.

Mr. McCAY.—I think that some of the articles in question are already on the free list.

Sir WILLIAM LYNE.—Most of them are, but I am not sure whether they all are.

Mr. REID.—It would be inconvenient to embody in this motion anything that would have the effect of freeing an item of Customs duty, because once that item is freed, it is not easy to collect the revenue so lost in the event of Parliament arriving at a decision that it should not be free. On the other hand, where it is proposed to impose a duty on certain goods, the revenue must be protected by preventing their introduction free of duty. The Government might subsequently say, "We do not propose to allow these goods to come in free," but, in the meantime, a large quantity of them might have been introduced.

Mr. ISAACS.—Some of these might be read as exceptions to the earlier variations of the resolution.

Mr. REID.—Perhaps that is so. I am only seeking to show that there is a clear line of distinction between the two proposals.

Mr. DEAKIN (Ballarat—Minister of External Affairs) [2.18].—I wish to explain that it was only at 1.40 p.m. to-day that my honorable colleague obtained the final revise of the necessary motion, and that, as soon as I had conferred with him in regard to it, I went to the room occupied by the leader of the Opposition—

Mr. McLEAN.—Hear, hear.

Mr. DEAKIN.—There I met the honorable member for Gippsland, but, failing to find the leader of the Opposition, saw the honorable member for North Sydney.

Mr. REID.—I am perfectly satisfied.

Mr. DEAKIN.—Had the leader of Opposition been in his room, he would have known of our intention within a few minutes of our final decision. As to the next question raised by the right honorable member, the rule is not to give effect to a proposal to reduce duties until Parliament has dealt with it; consequently there can be no loss of revenue in this regard. Of these proposals I say nothing, but before dealing with the particular issue, must say that, although one cannot complain of a newspaper taking advantage of any sources of knowledge open to it, it does seem that, in this particular instance, the line has been passed at which it ceases to be proper for a newspaper to make public precise information which may adversely affect the public revenue.

Mr. DUGALD THOMSON.—Somehow or other, the reports of the Commissioners are always anticipated.

Mr. DEAKIN.—A newspaper could retain its priority of information if it simply informed the Minister of Trade and Customs that, having obtained certain information, it proposed to take advantage of it.

Mr. McWILLIAMS.—If it took that step the news would soon spread.

Mr. DEAKIN.—It need not, and would not. Ministers are constantly in possession of information which is not made public until acted upon.

Mr. McWILLIAMS.—The honorable and learned gentleman should blame, not the newspapers, but those who "gave away the show."

Mr. DEAKIN.—I blame both. Those who improperly gave this information have committed an absolutely dishonorable act, and those who publish information at a time when its publication might adversely affect the revenue of the Commonwealth, and be advantageous to individuals, act discreditably, if not dishonorably, and unpatriotically. I wish to guard myself from the suspicion of having assented to what has been done; for it goes beyond the necessary publication of information which we recognise as the business of a newspaper. I agree with the leader of the Opposition that no time should be lost in dealing with fiscal proposals. I have still a hope, although it is a faint one, that we may close the Budget debate this afternoon; but in the special circumstances of the case, and under the special pres-

sure upon us, whether the Budget debate be concluded or not this afternoon, I propose to ask the House to take into consideration on Tuesday next the reports that the Government have had time to consider—the reports on spirits, wine, and industrial alcohol. I am very reluctant to postpone the Budget debate, but, in the exceptional circumstances of this session—circumstances to which I can recollect no parallel in my political experience—the Government feel it necessary to dispose of these reports now, and also of the others just tabled as soon as possible afterwards. The House will be invited on Tuesday next to deal with the alcoholic.

Mr. FISHER (Wide Bay) [2.23].—All this trouble has arisen owing to an attempt to delegate executive functions to a Commission. I indicated when the last motion relating to the revision of the Tariff was submitted that I knew of no method whereby the revenue could be fully protected as long as the decisions of the Commission had to be arrived at prior to the Government receiving its recommendations. While the Tariff Commission has done good work, it has had cast upon it functions which it cannot carry out as well as can the Executive, which is charged with the administration of the Commonwealth and the protection of the revenue.

Progress reported.

PAPERS.

MINISTERS laid upon the table the following papers:—

Progress reports of the Tariff Commission on agricultural machinery and implements and stripper-harvesters, and minutes of evidence, vol. IV., division VI., metals and machinery.

Ordered to be printed.

BUDGET.

In Committee of Supply:

Debate resumed (*vide* page 2695).

Mr. HUGHES (West Sydney) [2.24].—But for some remarks made by the leader of the Opposition as to the powers of the Commonwealth Parliament in relation to direct taxation, and particularly in regard to certain proposals made by the Labour Party in connexion therewith, I should not have addressed myself to this question, since we shall have another opportunity later on to deal with the details of the Budget. Although I was not present at the time, I understand that the right honorable gentleman stated this morning that

he believes thoroughly in the principle of land taxation, but considers that the proposal of the Labour Party to apply that principle is an outrage on the Constitution. It certainly appears to me that such language is not warranted by any section of the Constitution. At page 551 of *Quick and Garran's Annotated Constitution*, the power of the Parliament in regard to taxation, and the restraints upon that power, are set forth, and, although I have very carefully looked through that work, and also through the debates at the Federal Convention held in Melbourne, I can find no mention of any restraint on land taxation by the Federal Parliament. The right honorable gentleman's attitude, while not at all curious, is rather suggestive. He says that he believes in the principle, but disbelieves in our method of applying it. He makes this statement at a time when, with two exceptions, there is not the remotest possibility of any of the States Governments proposing a tax upon unimproved land values. It is perfectly safe for the right honorable member to pose in New South Wales as an advocate of land values taxation through the medium of the States, since he knows very well that the Government of that State is opposed to such a tax. I understand, also, that there is little, if any, likelihood of such a proposal being carried into effect in Victoria, except by the Labour Party. I need hardly point out that there never was much probability of such a tax being imposed in Tasmania, whilst if land value taxation were passed by the Parliament of Queensland or South Australia it would in either case also be through the medium of the Labour Party. The right honorable gentleman declares that he is in favour of the principle, but he is the leader of a party which throughout the Commonwealth is most vehemently opposing it. I shall never permit him to parade as a man who is in favour of this principle while he is the leader of such a party, which, by virtue of its necessities, its open professions, and its notorious intentions, is opposed to it. The leader of the Opposition says that the principle is sound. He told the honorable member for Gwydir that he was entirely in sympathy with his endeavour to burst up big estates, but yet we find him leading a party whose sole reason for existence is that they have set their faces against any

interference with vested interests in the Commonwealth. The right honorable gentleman now attempts to pose—with a shadow of that wreath which he wore around his brow, when some ten years ago he favoured land value taxation—to pose as the leader of men who have advocated that principle, and yet we find him and his party being supported by those who wish things to remain as they are. What, then, becomes of the honorable member's objection to the proposal of the Labour Party, that it is an outrage upon the Constitution, but that if such a proposal were made in a State Parliament he would ardently advocate it? I do not hesitate to say that the same men who are behind the right honorable gentleman to-day will be behind every movement for reaction throughout the Commonwealth, whether it be in the municipal, Federal, or State sphere. There is but one party now—the great Anti-Socialist Party, the party of vested interests—and the right honorable member for East Sydney has been selected as the most effective instrument to accomplish their purpose, which is, in so many words, to “leave things as they are.” They think that this is the best of all possible worlds. These men who have great interests in this country, who count their possessions, not by hundreds, but by thousands and tens of thousands, declare there is no necessity for change. It is quite true we have an overflowing Treasury, but by a singular and sinister coincidence, on the very day that the Treasurer told us that we were on the crest of a wave of magnificent prosperity, an evening newspaper published a report of the direst distress in this great city. Unhappily, it is not confined to this city. You can find it in Sydney, Brisbane, and the other large cities of the Commonwealth; but it is not even confined to the cities. Were it not for the fact that thousands of men are able to make a living by trapping rabbits, the distress in the country would be deplorable. In the face of these facts, the right honorable gentleman says that the proposal of the Labour Party to impose a land tax, thought he is in favour of the principle, is an outrage upon the Constitution. He knows that the principle, so far as the States are concerned, is *in articulo mortis*, that not a State in the Commonwealth has any present intention to

Mr. Hughes.

give effect to it. If it were put into effect by any State, it would be a *State* which the Labour Party, which he nounces and intends to annihilate, if gods will, at the next election, has the control of affairs. Half the alienated of New South Wales is in the hands of little more than 700 persons, and yet says that we are to do nothing. He leading an army whose watchword at next election will be “Do nothing.” The whole policy is to crush the Labour Party whose one offence is that they propose the imposition of a tax on the unimproved value of land, for the purpose of bursting up the big estates.

Mr. LONSDALE.—That proposal is a *pu* sham, a piece of political hypocrisy.

Mr. HUGHES.—The simile of Satan reproving sin fails to express my surprise at an interjection of that sort from the honorable member. Until now, he has been an unceasing advocate of the great principle of land value taxation.

Mr. LONSDALE.—I still am; but I advocate an honest land tax.

Mr. HUGHES.—The honorable member is allied with a party whose one principle it is that no attack shall be made upon the vested land interests of the country. The right honorable member for East Sydney affects to regard our proposals as unconstitutional, while some of his followers take exception to the method of their proposed application. Some of them say that the tax would be a good one if there were no exemptions, some that the rate should be higher, and others that the rate should be lower. The right honorable member must bear on his shoulders responsibility, not only for what he himself says in regard to this matter, but also for what the members of his party say. Their views are being scattered broadcast over the country, through the medium of the daily press, which declares that the intention of the Labour Party is nothing more nor less than the first step towards the confiscation of all property. I shall not be silent under such an imputation, nor do I think that it comes well from the right honorable member, seeing that through him the Labour Party in New South Wales obtained their opportunity to put into force an infinitely more severe tax than that which they now propose.

Mr. JOSEPH COOK.—A more severe tax?

Mr. DUGALD THOMSON.—The New South Wales tax is only *id.* in the £1.

Mr. HUGHES. — It is a matter of figures, and if honorable members trouble to make the necessary calculation, they will see that my statement is correct. The exemption in New South Wales applies to land not exceeding £240 in value; but the rate actually imposed on all land exceeding that value makes the tax up to, say, £20,000 infinitely more severe than that which the Labour Party now propose.

Mr. JOSEPH COOK.—Is the proposed tax to take the place of the existing tax?

Mr. HUGHES. — No. We propose to do that which the honorable member for Parramatta was at one time prepared to do — to make the new taxation additional to the present tax. The honorable member at one time did not propose to stand, like Lot's wife, immovable. The imposition of a 1d. land tax was to be the first step in a glorious career. Now, however, he goes pale and cold when the subject is mentioned, and looks back upon the step which he took as, perhaps, a false one, but certainly as the only step which he will take. My position is different. After an interval of twelve years, I think that it is time to take another step, which I am prepared to defend on the grounds whereon I defended the first step. We were told then we were undermining the Constitution, and that the forces of society would rise up and crush us. I remember how the right honorable member's supporters looked with approval when he waved his arms defiantly towards the serried phalanx of Legislative Councillors sitting behind the Bar. But those men, who represent the vested interests of New South Wales, are now his staunchest friends. He tells us, and would have the country believe, that he is the same old George in this matter, and, if he had his way, would impose a land tax; but, by a stroke of malign fate, he finds himself in a sphere in which it is not constitutional to do so. But this is a device as old as the hills. The enemies of reform never meet the reformers straight out. From the beginning, the reformer has had to fear, not the blow of the broadsword of the soldier, but the stiletto of the assassin. In New South Wales, where 700 men own one-half of the alienated land, there are 500,000 landless persons out of a population of 700,000 adults.

Mr. DUGALD THOMSON. — New South Wales has a Closer Settlement Act.

Mr. HUGHES.—Can we consider the situation calmly when we know that immi-

grants are avoiding Australia because, as Mr. Coghlan, an impartial critic, declares, there is no suitable land available for immigrants here. The people of New South Wales can obtain land for closer settlement only by putting their hands into their pockets and buying back at high rates what in many cases was filched from them. What is at the back of the New South Wales land scandals? Is there not some sinister and powerful influence which no man has the courage to attack or the power to overcome?

Mr. DUGALD THOMSON. — Those who were at the back of them were the members of the Government supported by the party to which the honorable and learned member belongs.

Mr. HUGHES.—By what party are they supported now, when some of the figure-heads stand exposed to the gaze of an accusing and disgusted world?

Mr. JOSEPH COOK.—The honorable and learned member helped to put into office the Ministers who have been responsible for these scandals.

Mr. HUGHES.—My offence in the eyes of the honorable member is that I turned him out, not that I put them in. Even if I did as he alleges, is he prepared to say that, while I was in the New South Wales Parliament, the Government of the day were guilty of the actions of which so much has been heard? The evidence taken before the Royal Commission does not show that that is so. The honorable member was a colleague of several of the members of the present New South Wales Government, but does he therefore hold himself responsible for all that they have done? Not at all. Why, then, should I be held responsible for all that the honorable member declares the Labour Party of New South Wales have done? Why should I bear their alleged sins? I am dealing now with facts. It is a fact that there are 500,000 landless persons in New South Wales in a population of 700,000 adults. The Labour Party proposes to give them a chance to obtain land; but the leader of the Opposition says that, in doing so, we are going outside our sphere. Our sphere is to do good in the world, and to break down monopolies.

Mr. JOSEPH COOK.—When there was a proposal to uncover these scandals, the honorable and learned member's colleagues, including the honorable member for Gwydir, voted against it. Digitized by Google

Mr. WEBSTER.—Because it was a pretence and a hollow mockery, as the honorable member is.

Mr. HUGHES.—I do not profess to be conversant with all that has occurred in the New South Wales Parliament since I ceased to be a member of that body, nor is it pertinent to my argument. I am not, nor is my party, any more to blame for certain action taken by some members of the New South Wales Parliament who belong to the Labour Party, than is the honorable member for the actions of other persons in the New South Wales Parliament who belong to his party. All I know is that the right honorable member for East Sydney is in this Parliament, with the honorable member for Parramatta and others behind him, and that he is now opposing the only system by which land monopoly can be broken down. He tells us that we are going beyond our sphere. But I contend that that is not constitutionally true. Moreover, I declare that it will not be inexpedient to do as we propose. We have been asked by all the States to do something to attract immigrants to this country, and we are requested by our own people, who are every day crying out for land, to do something to burst up the big estates. The right honorable member for East Sydney says that he believes in obtaining the land that we require in a legitimate way. Is that which we propose an illegitimate way? The right honorable gentleman is the very man who started this brand of illegitimacy when he introduced his land value taxation measure in New South Wales.

Mr. WILKS.—The same principle was in operation in South Australia before that.

Mr. HUGHES.—It is all the same. He either established the system, or he followed the example of South Australia. Now, however, he declares that it is illegitimate. I contend that it is the most legitimate and effective method of bursting up the big estates, and I affirm, moreover, that it will do no harm to any one except to those who are gorged to the maw with land which they neither use themselves nor permit others to use. When honorable members opposite speak of the ruin that is to be wrought by means of taxation proposals such as we contemplate, I presume that they refer to the 722 large landholders in New South Wales, who own the best lands of Australia. However, I shall say no more upon that mat-

ter. I am content with having shown that the right honorable member for East Sydney, when he talks about our proposals as being outside the sphere of Federal politics, is saying that which is absolute unwarranted. As a lawyer, he must know that no land in this country was ever sold outright, but that the Crown has always the right of eminent domain. He knows, further, that he is perfectly safe in advocating land value taxation, whilst, at the same time he is doing all he can to "down" the party that is in favour of it. Those gentlemen who call themselves single-taxers are allied to the party whose whole intent and purpose is to bolster up the man who has the land, and to "down" the party which means to tax it. Under these circumstances, we cannot believe that these single-taxers are earnestly desirous to apply the principle of land taxation without exemption. If objection is taken to the method of the proposed taxation on the ground that the land should be taxed without exemption, why do not honorable members introduce a counter proposal? I declare that if they introduce a proposal better than ours we shall go over bodily and support their scheme. Our one object is to burst up the big estates.

Mr. JOSEPH COOK.—Will the honorable member vote to do away with the exemption?

Mr. HUGHES.—On that bright and shining morning when the honorable member shall move in this House that land taxation without exemption shall be the method by which the Commonwealth shall obtain her revenue or burst up the big estates, he will find—if he has the courage to call for a division—that I am sitting beside him. I always have been, and always shall be, in favour of that. But since we believe that it would be an admirable thing to burst up the big estates, and think that a man has enough when he holds land worth £5,000, we propose to tax all those whose holdings exceed that value. How much would a man with £10,000 worth of land have to pay by way of taxation under the proposed scheme? I have here a newspaper article which contains an extract from a circular issued by a Mr. Cameron, in connexion with the Queensland Anti-Socialistic League. He says—

I need hardly point out the necessity for action to be taken in this matter (Federal Land Tax). Already the Federal Premier, Mr. Deakin, urged thereto by the leader of the

Labour Party in the Federal Legislature, has expressed his approval to the introduction of a Federal Land Tax.

That is news to me, but no doubt it is all right.

It is suggested that the amount of this tax should be 1s. in the £1.

That is the usual exaggeration.

Mr. DUGALD THOMSON.—The honorable member for Bland stated that, if necessary, he would impose a tax of 1s. in the pound.

Mr. WEBSTER.—He is not the Labour Party.

Mr. HUGHES.—I am not responsible for what the honorable member for Bland may have said.

Mr. JOSEPH COOK.—He is the leader of the Labour Party.

Mr. FISHER.—He has never fathered the statement.

Mr. JOSEPH COOK.—Yes he has. He did so at the Sydney Labour Conference.

Mr. FISHER.—He was misreported.

Mr. HUGHES.—The anti-socialistic circular to which I have referred contains the following table:—

				£ s. d.		
Say you have a farm of 80 acres at						
£5. equals	...	...	...	400	0	0
Your municipal and shire rates, at 2d. in the £1, will be				3	6	8
The Federal Land Tax, at 1s. in the £1, will be				20	0	0
Add to which the State Treasurer's tax of, say, 6d. in the £1				10	0	0
This would mean a total for the three taxes of				33	6	8

That would be for a farm of 80 acres. The persons who compiled the circular must have known full well that no land tax was levied by the State Government of Queensland, and that it was not proposed to levy the Federal land tax upon any property, the unimproved value of which was less than £5,000, and that, moreover, the proposed tax was to be ½d. in the £1, and not 1s. in the £1. I do not hesitate to declare that the attitude assumed by the right honorable member for East Sydney would not deceive an infant. He stands here now as the avowed opponent of land value taxation, as the avowed champion of vested interests, and the avowed selected champion of the anti-Socialist Party, and by no twisting or manoeuvring can he get out of that position. We pin him down to that. He is the declared enemy to the re-

form movement in Australia, and by that he must stand or fall at the next election.

Mr. DUGALD THOMSON (North Sydney) [2.55].—The intrusion into the debate of the question of land taxation, to which no reference is made in the Budget statement, will not cause me to stray from the track for more than a few minutes. In reply to the honorable and learned member for West Sydney, I would point out that the measure introduced into the New South Wales Parliament by the right honorable member for East Sydney provided for a tax of 1d. in the £1, but not without exemption. At that time the Labour Party, with which the honorable and learned member was connected, resisted the exemptions which were provided for. To-day the honorable and learned member, who stated that if the honorable member for Parramatta would introduce land taxation proposals with no exemptions he would support him, is now advocating a scheme which provides for extremely large exemptions—exemptions which are totally opposed to his own principles.

Mr. HUTCHISON.—The honorable member must admit that the position under Federation is slightly different from that under the States.

Mr. DUGALD THOMSON.—There is no difference whatever. If the Federal Government has power to tax land worth more than £5,000, it also has power to impose taxation upon property of less than that value.

Mr. HUTCHISON.—We must leave something for the States.

Mr. DUGALD THOMSON.—The Labour Party are acting without any consideration for the States. There was an excellent reason for the introduction of the land taxation proposals into the New South Wales Parliament. At that time a state of affairs existed which I do not think obtained in any other part of the world. All the land outside of the municipal areas, which were very small, was not subject to the payment of one penny of taxation by way of return for the benefits derived by the owners from the expenditure upon roads, railways, and other public works. Surely, then, there was a reason for the introduction of the measure to which I have referred.

Mr. TUDOR.—Most of the land in Victoria is in much the same position as the honorable member has described.

Mr. WILSON.—That is totally incorrect. We have our municipal taxes all over Victoria.

Mr. DUGALD THOMSON.—What is the declaration of the leader of the Labour Party to-day? He does not desire to raise revenue; he purposes that the Commonwealth shall assume the duty of deciding the land policy of the different States.

Mr. FISHER.—The honorable member might quote the actual words used by the honorable member for Bland. He stated that the primary object of the proposal would be to break up the large estates, but that the revenue would be considerable, notwithstanding.

Mr. DUGALD THOMSON.—The honorable member is referring to an addition that was made at a later stage.

Mr. FISHER.—In his first statement, the honorable member for Bland said that the proposals were intended, primarily, to burst up the large estates.

Mr. DUGALD THOMSON.—I have read the printed words of the honorable member for Bland, to the effect that he did not propose taxation for revenue purposes, but with the object of breaking up the large estates.

Mr. FISHER.—I know what was stated on the first occasion, whatever may have been reported.

Mr. DUGALD THOMSON.—I only know what the honorable member was reported to have said. He has not denied it. However, if I accept the assurance of the honorable member for Wide Bay that it was stated that the primary object was not revenue, but policy, that means that it was proposed to take away from the States the management of their own land policies. It was intended that the superior authority, with greater powers of taxation than the States, not as regards land merely, but generally, should impose taxation, not for the purposes of revenue, but with the object of deliberately taking away from the States the control of their land policies. I have no hesitation in saying that it was the intention of the Constitution to leave that matter in the hands of the States. I wish to point out that the Labour Party of New South Wales—and I speak of that State because the honorable and learned member for West Sydney specially referred to it—although they did not, in the first instance, support the Closer Settlement Bill, afterwards gave their adherence to it. In reply to the objection raised that it would be unfair to the owners

of property to provide for the resumption of their land by the State, it was urged, and very properly so, that it was not unjust when it was necessary, in the public interest, for the State to step in and pay an owner a fair price for his land. That was what they argued then, but now they are turning round. The closer settlement measure referred to is in force now in New South Wales. And yet the members of the Labour Party, instead of depending upon it for such resumptions as are necessary, entirely renounce their previous statements that the owners of land shall be paid for that which they have honestly owned, and propose to tax the owners till they dispossess them.

Mr. HIGGINS.—Was not the bursting up of big estates one of the objects with which the right honorable member for East Sydney introduced his land taxation measure?

Mr. DUGALD THOMSON.—I never heard of such a policy being advocated by him in that regard. The proposal was for a revenue tax, which was to be paid by owners in return for benefits received by them.

Mr. HIGGINS.—But there was a distinct object in view, namely, to prevent the holding of large estates for a long period.

Mr. DUGALD THOMSON.—If that was the object in view, why not let the tax operate?

Mr. HIGGINS.—We find fault with the right honorable member for East Sydney, and the right honorable member finds fault with the Labour Party.

Mr. DUGALD THOMSON.—No doubt the right honorable member for East Sydney did say that if there were no taxation upon land, it would tend to the aggregation of large estates.

Mr. HIGGINS.—He said a little more than that.

Mr. DUGALD THOMSON.—The Labour Party now propose to put an impost upon every estate throughout the Commonwealth, in addition to the State taxes and the shire taxes. The honorable member for Parramatta has just handed me a quotation in which the leader of the Labour Party is reported to have said that he was prepared to support the imposition of a tax of several twopences in the pound.

Mr. WILKS.—Where did he make that statement?

Mr. DUGALD THOMSON.—At a labour demonstration, at which speeches

were delivered by members of both the State and Federal Legislatures. Then we have been called upon to emulate the example of New Zealand. In this connexion, I would point out that the graduated land tax proposed by the Labour Party is much higher than is the tax in New Zealand. It begins at $\frac{1}{2}$ d. in the pound, and progresses at the same rate, whereas the New Zealand tax begins at one-eighth of a penny in the pound, and progresses in a similar ratio. Then it must be recollected that New Zealand has in its own hands the land policy of that country. There is not a Federal Government there, and it does not pile a third tax on to a State tax and a shire tax, and consequently it is impossible for us to institute an analogy between its position and our own. But behind this proposal there is a desire to bring about land nationalization. The intention of the Labour Party is not to stop at dispossessing the owners of big estates, but to nationalize the whole of the lands in Australia. The honorable member for Gwydir would not refer to that matter. He said that that was not the policy of the Federal Labour Party. Need I point out that it is the policy of a branch of the same party. The two bodies meet in conference, although they decide upon their State and Federal platforms separately.

Mr. TUDOR.—They do not meet in conference.

Mr. DUGALD THOMSON.—Was not the honorable member for Bland present at the Victorian conference, and did he not endeavour to induce that body to alter its proposals?

Mr. HUTCHISON.—The South Australian organization has not adopted the principles which were adopted by the Victorian conference.

Mr. DUGALD THOMSON.—I do not know anything about that. I wish also to point out how crude is the proposal to levy a heavy progressive land tax upon large estates. In the first place, the taxation upon amounts which might be regarded as considerable is comparatively small, but as it progresses it becomes exceedingly heavy. What estates will the imposition of such a tax force from the hands of their present owners? Will it not be those estates which pay the least—estates such as exist in the western portions of New South Wales, and which give their owners very poor returns? The tax

may be levied upon the value of the land during good seasons, and as the result of its operation during bad seasons, the holders of these lands may be compelled to sell. Of what use would such lands be for the purposes of closer settlement? It would be cruelty to put small settlers upon them. Whilst the proposed tax may make the better class of lands groan under the burden, it will not dispossess their holders. But the owners of the poorer lands in the drier areas will be forced to part with them.

Mr. HIGGINS.—If the lands are very poor, their values will fall within the amount of the exemption.

Mr. DUGALD THOMSON.—But their values may be assessed in good seasons. As a matter of fact, the assessment of the western lands of New South Wales—as the result of an inquiry by a Royal Commission—have recently been reduced, because they were made during good seasons.

Mr. HIGGINS.—I do not think that the proposed tax would touch the lands to which the honorable member refers.

Mr. DUGALD THOMSON.—It would certainly not touch the rich lands. That fact is proved by the experience of New Zealand. In that country, these rich lands yield, owing to the steady rainfall, a regular revenue, but the progressive land tax has not effected the dispossession of their holders. Such a tax in Australia would simply force the poorer lands out of the hands of their present owners, and—as they would be useless for small settlers—they would merely become breeding grounds for vermin. Coming now to the Budget itself, I wish to say that the Treasurer has brought before us some very large problems connected with the finances of Australia. The approaching termination of the book-keeping period makes his Budget a very important one. I think that the attention of the Committee should be called to this matter, so that we may decide whether we shall continue to drift under our present conditions, or whether we shall approach nearer to a real Federal union upon safe financial lines. The memoranda prepared by the Treasurer and the honorable member for Mernda—whose financial ability I acknowledge—are of very great assistance to honorable members in considering this subject. Their schemes have evidently not been framed from any party stand-point. While we may take exception to those schemes, we must acknowledge the

very close study which their authors have given to this question. Of course, it is much easier to object to a scheme than it is to formulate one to which no exception can be taken. The Treasurer has stated that he would welcome any suggestion that might be placed before him in this connexion. For that reason, I have given some attention to the matter, and I desire, as briefly as possible, to place the result of my labours before the Committee. I regret that the Treasurer has not put forward anything in the nature of a proposal for the prompt abolition of the bookkeeping system.

Sir JOHN FORREST.—Does the honorable member mean before the period covered by the Braddon section?

Mr. DUGALD THOMSON.—I mean at once. That provision was made in all good faith and for good cause. It has fulfilled its part. We know now what is the effect of the bookkeeping system, and we can see how far any departure from that system would affect the different States.

Sir JOHN FORREST.—The system is not a source of very much trouble.

Mr. DUGALD THOMSON.—It is a source of enormous trouble to persons who have to pass entries for goods. The goods cannot be checked, and consequently there is no guarantee that the full returns are given at all. As a matter of fact, so much trouble is involved, that in some cases, I am sure, the goods are forwarded without the information required under the existing system being obtained.

Sir JOHN FORREST.—Between New South Wales and Victoria, very little trouble is experienced.

Mr. DUGALD THOMSON.—If it is desired to forward suits of clothes, for example, it is necessary to ascertain the duty paid upon the buttons, bindings, cloth, linings, &c., to pass a number of entries, and upon the figures supplied the financial adjustment is made.

Mr. FISHER.—And it is all against the smaller States.

Mr. DUGALD THOMSON.—Yes. I quite agree that there must be a considerable amount—which is not accounted for—due to the smaller States. Persons who are obliged to pass entries for goods which are being forwarded from one State to another, tell us that the operation is infinitely more difficult to-day than it was prior to Federation.

Mr. HARPER.—It involves the employment of an increased staff.

Sir JOHN FORREST.—Not as between Victoria and New South Wales.

Mr. DUGALD THOMSON.—If a good arrangement can be made between two States, why cannot a similar arrangement be made between all on a *per capita* basis? Having ascertained what would be the effect upon each State of a *per capita* distribution of the Customs and Excise revenue, the time has surely arrived when, even if there is a loss by one State or another, as long as that State can afford it we should be prepared in the meantime to face that loss. Events such as the growth of population in one State or another will cause a variation from year to year, and we should accept any immediate loss in a truly Federal spirit, and try to some extent to spread the burden.

Mr. HIGGINS. — Would the honorable member apply that remark to Western Australia?

Mr. DUGALD THOMSON.—I should grant special consideration to Western Australia, because I recognise that, having regard to its small population, we could not expect it to bear what we can expect of the larger States.

Mr. MAHON. — The honorable member would also take into account the fact that it is receiving nothing out of Federation?

Mr. DUGALD THOMSON. — I shall not say that it is receiving nothing out of Federation.

Sir JOHN FORREST.—New South Wales is getting all of it.

Mr. DUGALD THOMSON.—I do not think it is; but still Western Australia is not deriving as much benefit from Federation as some of the other States are. I have prepared the following statement of my proposals:—

That the book-keeping system terminate on the completion of the five year period, and the distribution among the States of surplus Customs and Excise revenue on a *per capita* basis be adopted.

The book-keeping system was only intended to be in operation temporarily. Its usefulness as a safeguard against the too severe dislocation of the finances of some of the States, and as an indicator of the course of trade, can now be estimated. Its cost to the Department of Customs and to the public; the enormous labour and worry involved; the complexity of analysis when the component parts of some manufactured article of Inter-State trade are subject to different duties; the difficulty of attaining even approxi-

mate accuracy in the returns rendered to the Customs, and the impossibility of any thorough check by the Customs without a large staff, and border Custom-houses, can also be appreciated. As a precaution, when what was regarded as more or less a step in the dark was being taken, its adoption was justifiable, but its continuance after it has yielded its information is not desirable unless it be shown that, without it, seriously inequitable results would arise.

It is submitted that any reasons which can be given for its continuance now would be almost certainly applicable to any future proposals for abolition, and, if they are to have sway, a most objectionable handicap on Inter-State exchange will be permanently grafted on to Commonwealth finance. On these grounds, as well as for the simplification of the financial system, the removal of the present uncertainty as to the amount which the States may expect to receive from the Commonwealth, and the cessation of the necessity for the Commonwealth—when requiring extra revenue—having to raise four times the amount, and to hand over three-fourths to the States, which the latter may not need, the following is proposed:—

That there be a *per capita* distribution of Customs and Excise revenue after the expiry of the book-keeping period. This is a distinct proposal

That there be returned to the States a fixed sum annually (amounting to about 33s. 6d. <i>per capita</i>) until liability for interest on debt to the extent of this sum has been undertaken by the Commonwealth	£	6,783,959
That in recognition of the special circumstances of Western Australia there be paid to that State, in addition to her <i>per capita</i> share, a sum which will be reduced by £30,000 each year, but will begin at	£	300,000

Leaving for distribution on a *per capita* basis among the six States (32s. *per capita*) ... 6,483,959

	New South Wales.	Victoria.	Queensland.	South Australia.	Western Australia.	Tasmania.	
	£	£	£	£	£	£	£
Each State would receive of this	2,386,821	1,949,713	844,877	605,133	407,646	289,769	6,483,959
Additional — Western Australia	..	...	...	...	300,000	...	300,000
					707,646		6,783,959
Estimated to be received by the States in 1906-7 (see Budget Papers, page 82)	2,738,011	1,974,938	741,295	505,032	766,782*	223,227	
Under my proposal as against the present method of distribution the result would be	351,190 (Loss)	25,225 (Loss)	103,582 (Gain)	100,101 (Gain)	59,136 (Loss)	66,542 (Gain)	6,949,285

* Including special Tariff proceeds.

Under my proposal, as opposed to the Treasurer's estimate of distribution, New South Wales would lose £351,190.

Sir JOHN FORREST.—That is a big loss.

Mr. DUGALD THOMSON.—And, as a representative of New South Wales, I am supporting it. Then, again, under my scheme, Victoria would lose £25,225. On the other hand, Queensland would gain

independent of any decision regarding the Braddon section.

As a further proposal dealing with the Braddon section, it is suggested that when the *per capita* distribution begins, the operation of the Braddon clause be suspended, if it can be legally done by agreement with the States; or failing such agreement, it be allowed to lapse at the end of its present currency. When it is suspended, or lapses, a fixed sum of, say, £6,783,959 of Customs and Excise revenue be returned to the States. This is a sum between the Treasurer's estimate of the three-fourths share of the States of Customs and Excise revenue in 1906-7, and his estimate of what they may actually receive in the same year.

As the Commonwealth must soon absorb all its quarter of the net Customs and Excise revenue, and as, in the proposed distribution, what will probably prove, during the next few years, to be three-fourths or over, has been allotted to the States, the latter are not likely to lose by this arrangement, especially as without agreement the Commonwealth can use, or deal with as it sees fit after the Braddon clause expires, the three-fourths now allocated to the States, and that even without making any provision for the debts. The effect on the 1906-7 estimate is shown in the following figures:—

£103,582, South Australia would gain £100,101, Western Australia would lose £59,136, and Tasmania would gain £66,542.

Sir JOHN FORREST.—Why should Western Australia lose anything, as compared with South Australia and some of the other States?

Mr. HIGGINS.—She could well afford it.

Mr. DUGALD THOMSON.—She would lose under a Tariff of her own, because her population is changing.

Mr. HIGGINS.—I have come to the same conclusion as the honorable member has in regard to a sliding scale for Western Australia.

Mr. DUGALD THOMSON. — I am pleased to hear it. My statement continues—

The foregoing comparison is based on a lower return to the States than that estimated by the Treasurer for 1906-7.

The foregoing comparison is based on a lower return to the States than that estimated by the Treasurer. To more exactly gauge the effect of a *per capita* distribution the following figures are given, showing the loss or gain of each State were the £6,949,285 which the Treasurer estimates to be returned to the States in 1906-7 distributed to them on a *per capita* basis instead of on the bookkeeping system.

—	New South Wales.	Victoria.	Queensland.	South Australia.	Western Australia.	Tasmania.	—
	£	£	£	£	£	£	£
On a <i>per capita</i> basis, the States would receive in 1906-7 ...	2,448,074	1,999,063	866,336	620,508	718,277	297,027	6,949,285
Which, compared with the Treasurer's estimated return to the States in 1906-7, would mean ...	289,937 (Loss)	24,125 (Gain)	125,041 (Gain)	115,476 (Gain)	48,505 (Loss)	73,800 (Gain)	

The proposal in the first comparison shows a gain of revenue to the States whose finances have been most strained by Federation, and a loss to the larger States, especially New South Wales, also some loss to Western Australia, which includes her loss by the abolition of the special Tariff and would probably occur were she under a Tariff of her own. It was recognised before Federation that the *per capita* division that must sooner or later come would probably mean a loss to New South Wales, and the loss was generally estimated as very much larger than that shown herein. Against the loss must be placed the relatively larger increase of population in New South Wales, which, if continued, will, on a *per capita* distribution, give her a larger proportion. There is also the probability that her coal, and large population, will bring a more than proportionate increase in home production, and consequent reduction of the consumption of dutiable articles, and of the duties returned to her, as well as an increase of her debit for Inter-State adjustment were the present system continued. Then if, as is probable, the Commonwealth undertake old-age pensions, New South Wales will have her revenue freed to the extent of, say, £500,000 per annum, and Victoria, say, £200,000 per annum.

It is quite true that New South Wales would make a considerable loss in the one year instanced, but as, under the existing method of distribution, there are considerable fluctuations, that loss would vary, and

Sir JOHN FORREST.—I am going to let the States what they receive already.

Mr. DUGALD THOMSON.—Under the right honorable member's scheme we should have to continue to do so for all time.

Sir JOHN FORREST.—No.

Mr. DUGALD THOMSON. — I am afraid that the right honorable gentleman is not extending to my proposal that consideration that he promised to give to an scheme that might be submitted—

in some years might disappear. It was always urged before Federation that under distribution on a *per capita* basis New South Wales must necessarily lose, as compared with some of the other States, and the estimated loss at that time was infinitely greater than would result under my scheme. Under present conditions, I think that she can perfectly well bear the loss that I have indicated. It has to be remembered that, if she increases her population in larger proportion than the other States, as she has been doing lately, she will obtain a larger proportionate return of revenue on a *per capita* basis. Then her manufactories, having regard to her coal supplies, are sure to increase. This will lead to a reduction in her consumption of dutiable goods, and consequently to a reduction in the Customs revenue returned to her. Further on, if the Commonwealth, as is proposed, adopts an old-age pension scheme, she will be relieved to the extent of about £500,000 per annum, and Victoria will receive relief to the extent of £200,000 per annum. I make two distinct proposals, one of which relates merely to what should be done in the

event of our discontinuing the bookkeeping system and adopting the *per capita* distribution, the other combines that with the suggested amendment of the Treasurer of the Braddon section. The last figures I gave show the result of taking the Treasurer's expected surplus and distributing it *per capita*, instead of on the present basis. But there is another proposal. I propose to take an amount in order that, if possible, we may arrange for the suspension of the Braddon provisions. Whether that is constitutionally possible by agreement with the States, I cannot say.

Mr. HIGGINS.—They will not agree.

Mr. DUGALD THOMSON.—They might agree if they were secured for that amount. I propose that £6,700,000—a sum between the three-fourths to which the States are entitled, and the amount which the Treasurer expects to return to them in 1906-7—should be set apart for this purpose. We cannot profitably take over the debts of the States at once. We cannot convert them and make them Commonwealth debts. It would be an absurd thing to try to do so, and would be of no advantage, except to the present holders of stock.

Mr. HARPER.—We can only look to their ultimate maturity.

Mr. DUGALD THOMSON.—It can be done only as the debts mature.

Mr. HIGGINS.—The Constitution must be altered to allow that to be done.

Mr. HARPER.—Not necessarily. It may be done with the consent of the States.

Mr. DUGALD THOMSON.—I am inclined to think with the honorable and learned member for Northern Melbourne, that, under section 105, if anything less than the whole of the debts existing upon the inauguration of the Commonwealth are taken over, they must be taken over on a *per capita* basis, and that cannot be done, if we convert them only when they fall due. I think, therefore, that that section requires alteration. But there is nothing to prevent the adoption of the very good plan suggested by the honorable member for Mernda.

Sir JOHN FORREST.—He would take over the whole of the debts.

Mr. DUGALD THOMSON.—I do not propose the taking over of the whole of the debts, but the partial adoption of the

honorable member's scheme. Instead of taking over the debts, which we cannot profitably do, we might make ourselves responsible for interest, as the honorable member for Mernda suggests, and the amount to which I propose that we should make ourselves responsible for interest is £6,700,000.

Mr. HIGGINS.—If we make ourselves responsible for interest, the effect will be the same as if we took over the debts.

Mr. DUGALD THOMSON.—In what way?

Mr. HIGGINS.—I understand the honorable member to say that, in place of taking over the debts one by one, as they mature, we should make ourselves responsible for the interest upon them. That would have the same effect upon the market as the taking over of the debts themselves.

Mr. DUGALD THOMSON.—No; the honorable and learned member is wrong in that. Under my proposal, and under that of the honorable member for Mernda, if modified a little, the States could, if they chose, pay the interest themselves, and allowance for the payment could be made in the Commonwealth figures.

Mr. HARPER.—Or it could be paid through the High Commissioner's office.

Mr. BATCHELOR.—What would be the difference between the Commonwealth making itself responsible for the debts of the States and taking over the debts?

Mr. DUGALD THOMSON.—The Commonwealth would not be responsible to the bond-holders; it would be responsible to the States for the payment of a certain amount, just as it is now.

Mr. HIGGINS.—That would be equivalent to taking over the debts of the States.

Mr. BATCHELOR.—It is all that the bond-holders would want.

Mr. DUGALD THOMSON.—The bond-holders already have the security. For instance, some of the States receive from the Commonwealth more than the amount of the interest which they pay.

Mr. BATCHELOR.—But, under the honorable member's proposal, the Commonwealth would guarantee to pay interest on the debts of the States.

Mr. DUGALD THOMSON.—We should undertake to pay interest out of the States portion of the revenue, or to make an adjustment with the States in regard to it.

Mr. FISHER.—Has not the honorable member overlooked the fact that the Constitution provides that the Commonwealth shall come to the aid of any State which is in default, and that, therefore, the credit of the States is absolute?

Mr. DUGALD THOMSON.—I do not know whether there would need to be an alteration of the Constitution to carry my proposal into effect. That would be a matter for the law officers of the Crown to consider. But, instead of returning three-fourths of the Customs revenue, we should return a fixed sum, and, so that the States might be secure, would agree to absorb it in the payment of interest. The main point, to which others are subsidiary, is this: I propose, as the honorable member for Mernda proposes, that the sum shall be fixed. He has mentioned £6,500,000, but I am able to be more liberal, and put down the amount of £6,700,000, because I do not propose that we should provide for the whole of the debts as he does.

Mr. HARPER.—The honorable member would leave it to the States to provide the balance of the £8,500,000 payable annually in interest.

Mr. DUGALD THOMSON.—Yes. The honorable member for Mernda goes further than I do, as I fear that there may be some hampering of our finances. Therefore, I would simply allot the fixed amount which I have named, which is about what the States expect to get.

Mr. BATCHELOR.—Would the honorable member allot that amount for a term of years?

Mr. DUGALD THOMSON.—It would be a fixed sum, to be absorbed by interest. I propose that the Commonwealth should float loans for the States as they require them, either for renewal or as new loans; but the Commonwealth alone should be allowed to go to London.

Mr. CROUCH.—Does the honorable member make that a condition?

Mr. DUGALD THOMSON.—Yes.

Sir JOHN FORREST.—If the revenue from Customs and Excise increased very much, would the honorable member give the States any more?

Mr. DUGALD THOMSON.—We could do as we chose about that.

Sir JOHN FORREST.—That would not be in the agreement.

Mr. DUGALD THOMSON.—It would not be in the agreement.

Mr. BATCHELOR.—Would there need to be an occasional revision and termination of the amount?

Mr. DUGALD THOMSON.—The Commonwealth should be free in time to deal with its own finances. Having done so that the Constitution contemplates, and absorbed a very large sum in the payment of interest on the debts of the States, and credited the States with a sum which would enable them to pay interest, the Commonwealth should be perfectly free. We have every reason to know that the States will be considered, but, having been guaranteed to the amount I have named, and the rest of the debt being gradually taken over as it falls due—which would be part of the arrangement—the States would have got all that they could properly expect, and the Commonwealth, having given them all the security which they could reasonably ask for, would be free in regard to its own finances. It must have such freedom sooner or later. We cannot always be bound by conditions. I have not time to deal with these matters as clearly and fully as I should like; but my memorandum in regard to the debt and to the transferred properties will give honorable members information as to exactly what I propose.

Mr. FISHER.—The matter is sufficiently important to justify the honorable member in taking his time in dealing with it, even though a week were required.

Mr. DUGALD THOMSON.—I am merely briefly outlining my proposals now, but when honorable members read them as I have set them forth at length, they will see clearly what my intentions are. The Treasurer makes no provision in regard to the transferred properties.

Sir JOHN FORREST.—I have already done so. I gave my views on that subject before.

Mr. DUGALD THOMSON.—I used the argument at Hobart, that, as the properties have passed only from one trustee to another, there need be no payment of compensation. The States, however, contend that there is a difference in the *per capita* value of the property, it being less in some States than in others, and that, having gone into partnership, they should each be credited with what they put in as partners. Personally, I do not see any serious objection to the proposal of the Treasurer as regards dealing with balances only, though the States have absolutely refused to ac-

cept it. Of course, we can override their decision, but if we can come to an agreement with them under which their requirements will be fulfilled, and they will be satisfied, we should try to do so, providing that we do not injure the finances of the Commonwealth. They argue also that part of their debt was created in providing for properties which have been transferred to the Commonwealth, and that it is not fair that that portion of their debt should remain, or that they should be liable for that portion of their debt and interest, after having parted with the use of the properties in regard to which it was incurred. Some of them would like to get cash for their properties, but that idea is now generally abandoned. It would be a most improper method of settling the matter. I suggest that the transferred properties should be paid for by the Commonwealth taking over the debts of the States, proportionately to the properties, as they fall due, at the rate of £1,000,000 per annum. Of course, there would not be £1,000,000 worth of debt that could be so treated falling due every year, but we could arrange for the transference of the States debts to the Commonwealth at that rate.

Mr. KNOX.—How would the honorable member distribute the indebtedness? How would the honorable member arrange in regard to the individual States?

Mr. DUGALD THOMSON.—The debt taken from each State would be proportionate to the properties handed over, and the interest would be distributed *per capita*. The trustees of the property would in this way have the debts incurred in connexion with it transferred into their own names. What I propose could be done without a strain on the Commonwealth, and the interest on the debt would be paid out of the Commonwealth share of the revenue, instead of out of the States share.

Sir JOHN FORREST.—The transferred properties of some of the States are worth more than those of the others. How would that difficulty be met?

Mr. DUGALD THOMSON. — The transferred properties would be paid for by the transfer of the debts. If the Victorian properties were worth £4,000,000, Victorian debts to that amount would be transferred to the Commonwealth, and if the South Australian properties were worth £1,500,000, South Australian debts to that amount, as they became due, would become Commonwealth debts.

Mr. KNOX. — But how would the £1,000,000 be distributed annually?

Mr. DUGALD THOMSON. — There would be no annual distribution, but an amount would be devoted for the purpose at the rate of £1,000,000 per annum. We might have to wait two or three years for a debt to fall due which would absorb the amount available. We take up the debts of the States until the whole of their claims for their transferred properties are obliterated. They will become the Commonwealth debts, and the interest and sinking fund will be provided for out of the Commonwealth share of the revenue. I do not go as far as the honorable member for Mernda in the provision for taking over the interest of the State debts, because I think that, with the developments which are likely to take place in the future, we should be unduly hampered. I think that we could carry out the scheme I propose without any difficulty. If the revenue largely increased in the future we could be liberal in distributing among the States the money that we were not bound to hand over, in the same way that we have been liberal in the past in distributing our surplus over and above the three-fourths of the Customs and Excise revenue to which the States have been entitled.

Sir JOHN FORREST.—But the States refused to accept a lump sum for all time.

Mr. DUGALD THOMSON.—As the time for the expiration of the Braddon section approaches, the States must recognise that unless some special arrangement is made there will be no liability on the part of the Commonwealth to do anything. I wish to secure to the States the liberal amount of £6,700,000 for the payment of the interest on their debts. We should absorb the great bulk of the interest on their debts, and the whole of the loans would be taken over as they fell due. The Treasurer further suggests that the period during which the Government should undertake to guarantee an annual payment to the States should extend till 1920, and thereafter until Parliament otherwise provides. All the Treasurer really proposes is to continue the bookkeeping period, and to extend the Braddon section, with one variation, namely, that the Commonwealth should be in a position to earmark certain revenue, and devote it to any purpose desired.

Then he suggests that if there be any surplus after that purpose is fulfilled, three-fourths shall still go to the States. The ear-marking of revenue should only be resorted to when no better proposal can be made. The system would be very complex, and might be attended with some extraordinary results. First of all, antagonistic interests might be created. Suppose, for instance, that a duty were imposed upon kerosene, and that the revenue derived from it were ear-marked for the use of the Commonwealth. Suppose, further, that a proposal—such as has been acted upon in the United States, and which it is said has proved the greatest blow to the Standard Oil Trust—were made for freeing from duty all denatured alcohol used in the arts and manufactures, and for driving and propulsion. It would be manifestly against the interests of the Commonwealth, but it might admirably suit the States, if the duty were abolished. That is only one instance, and hundreds of a similar character might be quoted. We should not create rival and differential interests between the States and the Commonwealth in regard to the revenue. Again, I would point out that if a certain duty were increased from 15 to 20 per cent., and the 5 per cent. additional duty were ear-marked for Commonwealth purposes, the higher duty might bring in no more revenue than that realized by the lower impost. I should like to know whether the Treasurer would still annex one-fourth of the total amount raised.

Sir JOHN FORREST.—Yes.

Mr. DUGALD THOMSON.—Then the right honorable gentleman would be compelled to pay less to the States.

Sir JOHN FORREST.—But the States would have a fixed sum.

Mr. DUGALD THOMSON.—There would be constant disputes between the States and the Commonwealth in regard to such questions as I have indicated. The States might say that the Commonwealth had no right to deduct the extra 5 per cent. duty, because the increase of the duty had not resulted in an addition to the revenue. I would point out, further, with regard to the Treasurer's proposal relating to the payments to be made to the States, that he might create a deficiency in the Commonwealth finances in one year, and be precluded from making it good out of a surplus during the next year. If a State had a de-

ficiency one year, it could make it good out of the next year's surplus, but the Commonwealth Treasurer could not do that, because he would still have to distribute the revenue amongst the States in the proportion set forth, and to add three-fourths of all surplus over that. I am sorry that I have not been able to deal with the Treasurer's proposals as fully as I should have liked. I have, however, compiled a condensed statement of my suggestions, which is as follows:—

TRANSFERRED PROPERTIES.

Looked at from the standpoint of the people of the Commonwealth being the owners of these properties, and the Governments merely trustees, it would seem only reasonable that when a service is taken over from a State, the properties necessary for conducting that service should pass, as would properties in an ordinary change of trust, without any claim for value by the first trustees. The States, however, urge with some reason that as there is a difference in the value *per capita* of the properties passing with the services in the various States, it is necessary in equity to adjust that difference. Sir John Forrest's scheme of writing off the lowest *per capita* value of the transferred properties of any State from the values of every State, and settling on the balance, properly met that claim. But the States also point out that they have borrowed money for much of the transferred property, and it is only right they should be relieved of the debt, not merely above the *per capita* equality, but the debt covering the whole value, which debt should become one of the Commonwealth, and cease to be a liability of the States. The desire of the States might be met without reducing the return to them, or increasing taxation, or straining the finances of the Commonwealth, by taking over debt, of the States, equal to the value of the properties, at the rate of £1,000,000 per annum, and converting it, as State debts came due, into a special debt of the Commonwealth, till the full value of the transferred properties was covered. This would mean that as each sum of £1,000,000 was converted, the interest on it would come out of the share of the Commonwealth, not of the States, in the Customs and Excise revenue.

PUBLIC DEBT.

That all the debts be transferred to the Commonwealth as they fall due, unless prior to that a very favorable opportunity arise to convert. That responsibility for interest to the amount of £6,783,959 be undertaken at once, if it can be arranged, or on the expiry of the Braddon clause, by the Commonwealth, thus absorbing the amount proposed under a previous heading to be set aside for return to the States, the security having been given to the States, the Commonwealth to be unfettered in the management of its finances. With that end the Braddon clause to be suspended by agreement, or to lapse in 1910.

The responsibility for interest thus assumed would be on debt beyond that being gradually taken over in cover of transferred properties. In this connexion it has to be remembered that,

although the net Customs and Excise revenue might increase, the Commonwealth would propose to find, in addition to interest on debt taken over for transferred properties, interest on further debt as converted, as well as to meet the deficiency on services yet to be transferred from the States, the expenditure on which largely exceeds the receipts; and would also require revenue for additional undertakings, such as the proposed old-age pensions, London representation, &c.

The Commonwealth to borrow for the States on Commonwealth stock, bearing 3 per cent. interest, and to have the right of borrowing outside or within Australia. The States to confine their borrowing, not effected through the Commonwealth, to Australia. The Commonwealth to provide a sinking fund of $\frac{1}{2}$ per cent. on all loans it issues, whether new loans or renewals. The States to provide a sinking fund of $\frac{1}{2}$ per cent. against money borrowed in Australia. Debt Commissioners to manage the loans and sinking funds. Commonwealth stock to have a fixed term, and be subsequently interminable, except by the Government, on notice.

A further safeguard against excessive borrowing and assurance to creditors would be an arrangement by which any State increasing its loan indebtedness beyond its *per capita* rate at the establishment of the Commonwealth, should pay a sinking fund of 1 per cent. on the excess.

THE TREASURER'S OTHER PROPOSALS.

Generally, I agree with the other proposals in the Treasurer's memorandum, except those to which objection is taken in the following:—

Clauses 9 and 10.—While the States may properly expect reasonable security for the payment from Customs and Excise revenue of interest on at least the bulk of their loans, the hampering provisions and complex effects of the Braddon clause, even as the Treasurer proposes to vary it, should not be continued for a day longer than necessary.

Clause 13 (1) The Treasurer proposes "to pay annually to each State for ten years after 31st December, 1910 (the date on which Section 87 (the Braddon clause) becomes alterable), a fixed sum equal to the average annual amount of three-fourths of the net revenue from Customs and Excise which that State has contributed during (say) the five years preceding such 31st December, 1910 (not including the special revenue in the case of Western Australia)."

This would mean that, did the present duties yield an increase of revenue before 1910, or special new taxation be necessary before then, not only would three-fourths of the proceeds for that period go to the States, but, irrespective of Commonwealth requirements, three-fourths of that increased revenue would be taken by the States for the following ten years.

Clause 13 (2) reads—

(2) "If three-fourths of the total net revenue received by the Commonwealth from Customs and Excise in any year after 31st December, 1910, exceeds the aggregate amount of the annual fixed sum guaranteed to all the States, any such sum in excess to be distributed among the States *per capita*."

This would guarantee a further payment to the States, irrespective of Commonwealth requirements, should there be an increase of non-marked revenue, and practically extends the Braddon clause to 1920. The proposal is all against the Commonwealth, as a deficiency may have to be created one year to pay the fixed amount to the States, and the surplus of the next year cannot be taken to make it good.

Clause 13 (3) reads—

(3) "Provided that after 31st December, 1910, the Commonwealth may impose additional Customs and Excise duties for specific purposes, and may specially appropriate and retain and 'ear-mark' the whole of the revenue—

(a) Derived from any new items of duties imposed solely for specific purposes;

(b) Derived from any additional duties on existing items of duties imposed solely for specific purposes.

If any surplus remains in any year after providing for such specific purposes from the revenue derived from such special appropriations, three-fourths of such surplus to be annually returned to the States *per capita*.

These arrangements to continue for ten years, viz., after the 31st December, 1910, up to 31st December, 1920, and thereafter until the Parliament otherwise provides."

This is the only real modification of the Braddon clause, and does not operate until after 1910, at which time the Commonwealth will be free to make this or any other provision. It is objectionable, because it divides the Customs and Excise duties into two classes, the one benefiting the Commonwealth, the other the States, and it thus, to some extent, creates rival interests. In providing, if a special duty is an increase of an existing one, for proportional divisions, it may raise endless complexities.

The whole of clause 13 simply postpones the adoption of a system possessing any elements of permanency for 14 years, to a time when the circumstances may be more unfavorable for reasonable adjustment than they are to-day. It refuses to approach nearer to what must be the financial goal, and, while conferring no benefit sufficient to justify it on the States, it continues to hamper the Federation. Only if a better and more federal system is shown to be impossible now, or proved to be far more readily realizable in the future, should there be postponement. The Treasurer declares as one reason for delay that the people do not yet think federally. It is hard for them to do so, when, instead of their interests being merged in those of Australia, State distinctions are allowed, without good reason, to remain, although it was intended they should disappear in union.

Turning briefly to one other matter, as there is not time to deal with others as I intended, I cannot agree with the proposal for the introduction of universal penny postage. Personally, I am very strongly in favour of the system, but, having regard to the finances of the States which have most severely felt the strain of Federation, I

cannot see my way to support the present proposal. It would be very desirable if we could introduce penny postage into New South Wales, where the present system is rather mixed.

Mr. JOHNSON.—Would it not be desirable to introduce penny postage within the Commonwealth itself?

Mr. DUGALD THOMSON.—I do not think that we should be justified in doing so in our present financial position.

Sir JOHN FORREST.—Why should the people in the cities have the advantage of cheap postage, while those in the country are denied a similar benefit?

Mr. DUGALD THOMSON.—Because that is the law, and we cannot afford to alter it. The Treasurer admits that the introduction of penny postage would involve a loss of £200,000, and, at the same time, he is proposing to increase the expenditure of the Commonwealth to the extent of £535,000. He would thus make a very big hole in our one-fourth of the Customs revenue, and leave very little available for other purposes. It must be remembered that we shall have to provide for a number of non-revenue producing Departments, which have still to be taken over from the States. We must not attempt too much whilst we are hampered by the financial provisions of the Constitution. The introduction of the penny postage system, after all, would not confer such a very great benefit upon the masses of the people, and we should not bring about such a reform until we are satisfied that the States whose finances have been most strained can bear it. Further than that, it is preferable that we should first deal with matters of greater urgency. I refer more particularly to the approaching termination of the bookkeeping period. Surely, after five years, we ought to be able to devise some scheme for supplanting the present bookkeeping system. The figures I have given—and I can vouch for them, because I had them checked by the Treasury officials—show that at this moment, if we adopted a *per capita* method, there would be no more difference in the result than would be likely to be brought about at a later stage. I ask honorable members when we shall ever reach a stage at which there would be less disruption by abandoning the bookkeeping distinction as to Customs and Excise between State and State. Any additional burden would be thrown almost entirely, for the time being, upon New South Wales, and I

have already stated why I believe that State could bear the burden, and why the present opportunity is a favorable one. Her finances are flourishing, and she has a large surplus, and she will subsequently reap advantages which will repay her for any present loss. The Treasurer complains that the people have not yet learned to think federally. How can they be expected to do so when their leaders, instead of bringing them into closer union, and instead of attempting to distribute the taxation of the State upon a *per capita* basis, leave them as they are. With regard to the entries for Inter-State goods, we seem to be more separated than we were before the Union. The time has come when we should face the situation. It is more urgent that we should consider the bookkeeping provisions of the Constitution than that we should discuss the Braddon section, or the transfer of the State debts. Unless the bookkeeping provisions are extended they will cease to operate in October next, and we ought to apply ourselves to the consideration of some method of distributing the revenue which will not be seriously injurious to any State, but which will benefit those States whose revenue has been most affected besides Western Australia, namely, Queensland and Tasmania. If there is any good in Federation at all, and if it is desired to equalize the burdens of the States, we should act in that direction now, when we can effect the change with perhaps less loss or disturbance than at any other time.

Mr. FISHER.—Does not the honorable member think that the Braddon and bookkeeping sections should be discussed at the same time?

Mr. DUGALD THOMSON.—It is highly desirable that that should be done. That is why I have discussed the two matters together.

Mr. CROUCH.—Both matters can be discussed, but both cannot be legislated upon.

Mr. DUGALD THOMSON.—We could deal with any restrictions imposed by the bookkeeping provisions—

Mr. FISHER.—We could do that in the case of Queensland, owing to the increasing amount which that State has to pay year by year.

Mr. DUGALD THOMSON.—I say that the finances of States like Queensland and Tasmania have been hard hit by Federation. I am aware that it is often said—and with some degree of truth—that when the people of any State do not

contribute to the revenue as much as they would do under other circumstances, the money is in their pockets. But in the case of Queensland and Tasmania that is not so to the full extent, because their revenues have been reduced by goods from the other States upon which they have had to pay the higher rates imposed under our protective Tariff, although they will not—when the bookkeeping period has expired—be credited with those duties. In addition, we must recollect that they lose by non-recording under the bookkeeping conditions. I do hope that the Treasurer will not think that I have put forward these proposals from any party motive. The only State which would be injured by them—with the exception of Western Australia, which would be injured to a slight degree—is New South Wales, and that only temporarily. I feel sure that if he will give careful consideration to the matter he will conclude that when the bookkeeping provisions have expired they should not be renewed, but that some arrangement should be made under which we can approach nearer to the intention of Federation.

Progress reported.

SPECIAL ADJOURNMENT.

Mr. DEAKIN (Ballarat—Minister of External Affairs) [4.3].—I move—

That the House at its rising adjourn till 3.30 p.m. on Tuesday.

The visit to Mahkoolma, and other suggested sites for the Federal Capital, is taking from our midst to-day a number of honorable members who will not return, at the earliest, until 1.45 p.m. on our next day of sitting. Under the circumstances, I think that we might postpone our meeting till a later hour than usual.

Question resolved in the affirmative.

ADJOURNMENT.

ORDER OF BUSINESS.

Mr. DEAKIN (Ballarat—Minister of External Affairs) [4.4].—In moving—

That the House do now adjourn,

I wish to intimate to honorable members that our first business upon Tuesday next will be the consideration of the proposals of the Tariff Commission in reference to spirits, wine, and industrial alcohol. Upon these items the propositions of the Government have already been formally submitted to the House. Owing to the extraordinary circumstances under which we find ourselves at this stage of the ses-

sion, discussing Tariff proposals which were not presented till after the delivery of the Budget, it was not possible to include in our estimates any forecast of the probable effect of these proposals upon the revenue. As honorable members are aware, the opinion of experts is that the duties upon spirits, as they have been amended by us, will, if agreed to, involve no change in the revenue, and affect no alteration in the Treasurer's forecasts. But I hope honorable members will clearly understand that the action which has been taken to-day affecting the duties on agricultural implements, was forced upon the Government before members of it—with the exception of the Minister of Trade and Customs and myself—had even read the recommendations of the Commission in reference to the items with which they deal. The proposals are simply the recommendations of that body, and not ours. Whether we shall increase any of the duties proposed, or decrease others, I cannot say. As I have already remarked, the whole position is extraordinary. The information which honorable members still lack of the intentions of the Government and of the results which will flow from giving effect to our alterations of the Tariff, either by way of increase or decrease in the proposed duties, will be made known at the earliest moment. I think that honorable members will be able to obtain proof copies of the reports of the Commission, which have been laid upon the table of the House this afternoon, before they leave for their respective States, and am hopeful that they will also be supplied with copies of the bulky report, six or seven inches, containing the evidence relied upon to support the recommendations of that body.

Question resolved in the affirmative.

House adjourned at 4.7 p.m.

House of Representatives.

Tuesday, 14 August, 1906.

Mr. SPEAKER took the chair at 3.30 p.m., and read prayers.

QUARANTINE.

Mr. SALMON.—I wish to know from the Minister of Trade and Customs whether, in view of the proximity of Australia to

countries which are sources of infection in regard to plague and other diseases, and having regard to the varying provisions of the laws of the States relating to quarantine, the Government are prepared to make arrangements for the exercise by the Commonwealth Parliament of its power to make laws with respect thereto?

Sir WILLIAM LYNE.—It is the intention of the Government to deal with the matter at the earliest possible date. A Bill has been drafted; but it is not yet quite ready.

POPULATION STATISTICS.

Mr. DUGALD THOMSON.—I wish to know from the Minister of Home Affairs whether he has observed a professed correction of the population statistics of Victoria, which is said to affect the representation of New South Wales to an extent disentitling the State to another member? Has he noticed that the correction has been arrived at by adding to the population of Victoria the percentage which has hitherto been deducted for unrecorded departures, and that no such addition has been made to the populations of the other States? Will he promise before using any statistics such as those which the Statistician of Victoria has prepared on this new basis to see that the calculations made in respect to all the States are on the same footing?

Mr. GROOM.—I do not know why the figures referred to should be used by the Commonwealth. I saw it stated in this morning's newspaper that certain figures have been prepared, and reference was made to another set, appearing in an earlier issue, which I have not yet seen. I shall look into the matter, but can assure the honorable member that figures used for Commonwealth purposes will be prepared on an absolutely uniform basis. So far, only such figures have been used as may be used according to the definite rules laid down by the Representation Act, and no figures will be used by the Department in this connexion unless they are authorized by law.

PAPER: ADMINISTRATION OF PAPUA.

Mr. DEAKIN (Ballarat—Minister of External Affairs) [3.34].—I beg to lay upon the table the following paper:—

Memorandum relating to the proclamation of the Papua Act, together with a draft letter proposed to be sent to the members of a Royal Commission to be appointed.

In view of the interest taken in this question in both Houses, as shown by the motions which have been tabled this session, I wish to mention a few facts, although the papers speak for themselves. The proclamation of the Papua Act will take effect on the 1st September. On that date there will be added to the Executive Council three representatives of the settlers—Mr. William Whitten, storekeeper, of Samarai; Mr. Frederic Weekley, miner, of Woodlark Island; and Mr. William Little, miner, of the Northern Division. Our officials in Papua will retain their positions pending the report of the Royal Commission. If we had been able to secure the services of Sir William McGregor, a veteran administrator in tropical countries, possessed of marked ability, long experience, and special knowledge of Papua, this step might not have been necessary; but, in view of the facts set out in the papers, and, especially as the present Administrator has asked for an inquiry into his administration, no other course is open to us. The Commission will consist of Colonel J. A. K. Mackay, C.B., M.L.C., of New South Wales, formerly Vice-President of the Executive Council of the State, and representative of the Government in the Legislative Council; Mr. W. E. Parry Oke-den, I.S.O., formerly Principal Under-Secretary and Commissioner of Police, Queensland; and Mr. C. E. Herbert, Government Resident and Judge of the Northern Territory. These gentlemen are charged with the task of inquiring into, and reporting before the end of the year, upon the best method of improving the conditions of settlement in Papua, and of recommending any changes in its Administration they may think necessary. Having received that report, I trust that we shall be in a position to place the affairs of the Territory upon a business footing, and provide for the best utilization of a country which, from the time of its annexation, has had to contend with a whole series of misfortunes and difficulties which are being gradually surmounted.

Mr. JOSEPH COOK.—Is the Constitution of Papua to be hung up pending the report of the Commission?

Mr. DEAKIN.—No. It will come into force on the 1st September.

Mr. BAMFORD.—Has the honorable and learned gentleman received any communication from the residents of New Guinea as

to the acceptability of the proposed appointees to the Legislative Council?

Mr. DEAKIN.—Only in their favour. I move—

That the papers be printed.

Question resolved in the affirmative.

CLERICAL OFFICERS, GENERAL POST OFFICE, SYDNEY.

Mr. JOHNSON.—I desire to know whether the Postmaster-General would have any objection to lay upon the table of the Library the report of the Acting Chief Clerk, Mr. Russell, with reference to the work of the clerical staff in the General Post Office, Sydney.

Mr. AUSTIN CHAPMAN.—I shall be pleased to give the honorable member an answer to-morrow. Sometimes departmental documents contain confidential information which it is not desirable to disclose. If the report referred to does not contain anything of a confidential nature, I shall have pleasure in making it available to honorable members by laying it on the Library table.

EXTENSION OF TELEPHONIC COMMUNICATION.

Mr. POYNTON.—I wish to know when the Postmaster-General will be in a position to give a decision with regard to the applications made for the extension of telephonic communication to Lake Wangary, Warrow, or Coult and Sheringa, in South Australia.

Mr. AUSTIN CHAPMAN.—I hope to be able to give the honorable member an answer to-morrow.

SOUTH AUSTRALIAN TELEGRAPH OFFICES.

Mr. POYNTON asked the Postmaster-General, *upon notice*—

1. Is he aware that the telegraph offices in South Australia open and close half an hour earlier than in the principal Eastern States to synchronize the various times, and that Saturday closing at 5.30 p.m. was merely advancing the time in accordance therewith from the State closing time of 6 p.m.?

2. Why is South Australia, where times were synchronized on all but one week day, singled out for alteration, while other States in which no such synchronization exists, are left unaffected?

3. Does he not think that this invidious action against one particular State invites suspicion of factious motives?

4. As definite particulars of any inconvenience experienced under State regulations appear to be unobtainable, will he (pending the possible synchronization of times in other States) revert

to the system which was adequate for all requirements and convenience prior to Commonwealth control?

Mr. AUSTIN CHAPMAN.—The answers to the honorable member's questions are as follow:—

1. The Postmaster-General is aware that telegraph offices in South Australia open at 8.30 a.m., and close at 7.30 p.m. local time, which hours correspond to 9 a.m. and 8 p.m. respectively in the Eastern States, and that prior to the recent alteration in the hour of closing those offices in South Australia on Saturday, the hour of closing on that day was 5.30 p.m. instead of 7.30 p.m., as on other week days.

2. It has already been stated, in answer to previous questions, that in other States the hours of closing on Saturday are the same as on other week days; South Australia was therefore not singled out for alteration as no similar change was required in other States.

3. There was no invidious action, *vide* answer to question No. 2.

4. The Postmaster-General is not prepared to revert to the arrangement under which telegraph offices in South Australia close two hours earlier on Saturdays than on other week days.

LONDON SHIPPING RING: MAIL SERVICE TO EUROPE.

Mr. FRAZER asked the Postmaster-General, *upon notice*—

1. Whether he is aware of the fact that Mr. John Potter, of the firm of Birt, Potter and Hughes, is associated with the new Mail Contract?

2. Is he aware that Mr. Hughes, of the firm of Birt, Potter and Hughes, was until very recently, if he is not at present, chairman of the Shipping Conference, or ring, which from London regulates freights to Australia?

3. Would the fact of the new mail company becoming associated with the London Shipping Conference in any way infringe any provisions of the Anti-Trust Bill recently passed by this House?

Mr. AUSTIN CHAPMAN.—The answers to the honorable member's questions are as follow:—

1. No.

2. No.

3. It is impossible at present to give any further answer than that when the Bill becomes law this question can be submitted to the Law Department.

LIEUTENANT A. J. RUSSELL.

Mr. HUTCHISON asked the Minister representing the Minister of Defence, *upon notice*—

1. Does the Minister for Defence consider that a man who has been expelled from the Perth Stock Exchange for dishonorable conduct is fit to hold a Commission in the Commonwealth Military Forces?

2. As it is a fact that Lieutenant Alexander John Russell, of the Perth Highlanders, was so expelled, and further, as shown by the Court records, evaded payment of a debt of some

£400, why has his Commission not been cancelled?

3. Why is Lieutenant Russell being treated differently to Lance-Sergeant John Hanks, who when sued by his Commanding Officer did pay the sum of £10 18s. 6d.?

Mr. DEAKIN.—The answers to the honorable member's questions are as follow:—

1, 2, and 3. The matter of the expulsion of Lieutenant Russell from the Perth Stock Exchange has been referred to the Military Commandant, Western Australia, for further report, pending receipt of which it is not considered desirable to take any action.

VICTORIAN CONTRACT POST OFFICES.

Mr. TUDOR asked the Postmaster-General, *upon notice*—

1. How many contract Post-offices are there in Victoria that have a revenue of £400 per annum?

2. What is the amount of revenue of these offices, and where are they situated?

Mr. AUSTIN CHAPMAN.—The answers to the honorable member's questions are as follow:—

1. Thirty-nine.

2.—

Office	Revenue.
Armadale	£2,110
Beaach	447
Beringa	495
Beulah	567
Box Hill	660
Birchip	635
Caulfield East	904
City Road	1,007
Dookie	460
East Melbourne	1,494
Elmore	566
Essendon	835
North Fitzroy	1,355
Geelong West	634
Jamieson	406
Kaniva	425
Leongatha	1,297
Loch	470
Mirboo North	538
Murchison	494
Newport	572
Outtrim	490
Rupanyup	454
Sandringham	677
Spotswood	538
Surrey Hills	582
Tallangatta	843
Trafalgar	447
Werribee	565
Winchelsea	412
Yarram Yarram	812
Yarraville	544
Seymour East	489
Corryong	521
Hopetoun	460
Macedon Upper	407
Carlton North	1,287
Burnley	513
Lilydale	680

In several cases arrangements are in progress to raise offices to the staff status.

TARIFF.

In Committee of Ways and Means:

IMPORT AND EXCISE DUTIES ON SPIRITS.

Consideration resumed from 2nd August (*vide* page 2276), on motion by Sir WILLIAM LYNE—

Import Duties on Spirits.

Division I, Item 2.—That in lieu of the following duties of Customs:—

- (a) Spirits and spirituous compounds, n.e.i., when not exceeding the strength of proof, per gallon... 14s.
- (b) Spirits when exceeding the strength of proof, per proof gallon ... 14s.

imposed by the Customs Tariff 1902, duties of Customs shall from the 2nd day of August, 1906, at 4.30 p.m. Victorian time, be imposed as follows:—

Dutiable Goods.	Duties.
SPIRITS—	
(a) Spirits,† and spirituous compounds, n.e.i., when not exceeding the strength of proof, per gallon	15s.
(b) When exceeding the strength of proof, per proof gallon	15s.

† Case spirits, in cases of 2 gallons and under, to be charged as 2 gallons; over 2 gallons, and not exceeding 3 gallons, as 3 gallons; over 3 gallons, and not exceeding 4 gallons, as 4 gallons; and so on.

Excise Duties on Spirits.

That in lieu of the duties of Excise imposed by the Excise Tariff 1902 on Spirits, duties of Excise shall from the 2nd day of August, 1906, at 4.30 p.m. Victorian time, be imposed upon spirits as follows:—

Dutiable Goods.	Duties.
SPIRITS, viz.—	
1. Brandy distilled wholly from grape wine by a pot still or similar process at a strength not exceeding 35 per cent. over proof matured by storage in wood for a period of not less than two years and certified by an officer to be pure brandy, per proof gallon	11s.
2. Blended brandy distilled partly from grape wine and partly from other materials, containing not less than 25 per cent. of pure grape wine spirit (which has been separately distilled by a pot still or similar process at a strength not exceeding 35 per cent. over proof) the whole being matured by storage in wood for a period not less than two years and certified by an officer to be brandy so blended and matured, per proof gallon	12s.
3. Whisky, distilled wholly from barley malt by a pot still or similar process at a strength not exceeding 35 per cent. over proof	

- matured by storage in wood for a period of not less than two years and certified by an officer to be pure malt whisky, per proof gallon ... 11s.
4. Blended whisky, distilled partly from barley malt and partly from other materials, containing not less than 25 per cent. of pure barley malt spirit (which has been separately distilled by a pot still or similar process at a strength not exceeding 35 per cent. over proof) the whole being matured by storage in wood for a period of not less than two years and certified by an officer to be whisky so blended and matured, per proof gallon ... 12s.
5. Rum, distilled from molasses by a pot still or similar process at a strength not exceeding 35 per cent. over proof matured by storage in wood for a period of not less than two years and certified by an officer to be pure rum, per proof gallon ... 13s.
6. Gin, distilled from barley malt, grain, or grape wine, matured by storage in wood for a period of not less than two years and certified by an officer to be pure gin, per proof gallon ... 13s.
7. Spirit n.e.i. matured by storage in wood for a period of not less than two years, per proof gallon ... 14s.
8. Spirit for industrial or scientific purposes, subject to regulations, per proof gallon ... 14s.
9. Spirits n.e.i., per proof gallon ... 40s.
10. Methylated spirit, subject to regulations ... Free
11. Spirit for fortifying Australian wine, to be used subject to regulations ... Free

Sir WILLIAM LYNE (Hume—Minister of Trade and Customs) [3.45].—I wish to make a short explanation with reference to the proposals relating to the import and Excise duties on spirits. I need scarcely say that I have been deluged with letters from various persons, most of whom wish that certain alterations shall be made in the proposals now before the Committee. As I stated previously, the proposals embody the recommendations of the Tariff Commission, with certain modifications. I also mentioned that the duties proposed by the Tariff Commission had been increased, in order to prevent a loss of revenue. An estimate has been prepared by the officers of the Customs Department, who believe that if the duties were altered in the manner suggested by the Commission, 204,000 gallons of imported spirits would be displaced by spirits of local production, and

that £60,000 would thus be lost to the revenue. They estimate, further, that a loss of £14,000 per annum would result from making a rebate of duty in respect to spirits under proof strength. In connexion with spirits for fortifying wine, there would be a reduction of revenue amounting to £6,500, the drawback allowed upon spirit used in wine afterwards exported would amount to £4,000, and the abolition of the duty on methylated spirits would involve a loss of £6,000. It is estimated that the total loss of revenue would amount to £90,500, and that would be a very serious matter. I should have preferred to accept the recommendations of the Commission, with some slight modifications, but the Treasurer naturally objects to the loss of revenue that would be involved. It is a great pity that the Treasurer cannot get along without any revenue, but he is deserving of every credit for endeavoring to maintain the returns, so that he may be able to hand over to the States as large a sum as possible. The object of increasing the duty upon imported spirits from 14s., as recommended by the Commission, to 15s., is to obviate any loss of revenue. Honorable members will notice that the second paragraph, under the head of "Excise duties," reads as follows:—

Blended brandy distilled partly from grape wine and partly from other materials, containing not less than 25 per cent. of pure grape wine spirit (which has been separately distilled by a pot still or similar process at a strength not exceeding 35 per cent. over proof) the whole being matured by storage in wood for a period not less than two years and certified by an officer to be brandy so blended and matured, per proof gallon ... 12s.

I am satisfied that the proposed duty does not bear a fair relation to the duty of 11s. per gallon proposed to be levied upon brandy distilled wholly from grape wine. These duties have been fixed upon the recommendation of the Tariff Commission, and I shall presently read extracts from the evidence upon which the proposals are apparently based.

Mr. HUTCHISON.—They must have been the result of a mistake?

Sir WILLIAM LYNE.—The first paragraph in the proposed Excise duties reads—

Brandy distilled wholly from grape wine by a pot-still or similar process at a strength not exceeding 35 per cent. over proof, matured by

storage in wood for a period of not less than two years, and certified by an officer to be pure brandy, per proof gallon 12s.

Then comes the second proposal, under which a duty of 12s. per proof gallon is levied upon brandy which is distilled partly from grape wine and partly from other materials, and which contains not less than 25 per cent. of pure grape wine spirit. I am urged that to make the comparison complete the duty of 12s. per proof gallon ought to be increased to 14s., because three-fourths of the brandy which is distilled partly from grape wine and partly from other materials is composed chiefly of spirit made from molasses. That is an inferior spirit, and its presence has the effect of making the whole of the brandy thus distilled inferior to brandy which is distilled wholly from pure wine spirit.

Mr. BAMFORD.—Has the Minister any evidence to support his statement?

Sir WILLIAM LYNE.—Yes, I have. Further, the second proposal relating to excise offers an inducement to distillers to use spirit other than that which is distilled wholly from grape wine, because it can be produced for about 1s. 6d. per gallon, whereas the better and the purer spirit cannot be produced for less than 3s. 6d. per gallon.

Mr. HENRY WILLIS.—Molasses spirit can be produced for 6d. per gallon.

Sir WILLIAM LYNE.—I dare say that the honorable member is referring to a recent report from the United States, where it is stated that spirit from molasses is being produced for 4d. per gallon, and used for purposes other than human consumption. However, I am not prepared to deal with that matter at the present time. I mention it because I wish it to be thoroughly ventilated. It is a matter of very great importance that the public should be supplied with pure spirit, and it is the public interest which I regard as paramount in this connexion. Within the last few days I have had an opportunity of visiting various distilleries in South Australia, and I must say that I have gained a very great deal of knowledge in regard to this particular question. Upon the present occasion I am simply giving the facts as they present themselves to my mind. Before we finally dispose of these resolutions, I think it will probably be found that it is advisable to make some variation in the duties proposed. That is why I emphasize the fact that the Government have submitted these resolu-

tions in their present form, because they embody the recommendations of the Tariff Commission. They were arrived at upon the evidence of officers—I cannot give the testimony of each officer—in the Department of Trade and Customs. Those officers were:—Messrs. H. D. Brown, Inspector of Excise, New South Wales; T. H. Norrie, Analytical Chemist, Customs Department, Sydney; W. E. Burrell, Senior Inspector of Excise, Queensland; E. P. Clarke, Senior Inspector of Excise, South Australia; P. Awcock, Inspector of Excise and Distilleries, Western Australia. There were other outside witnesses such as Mr. E. W. Knox, general manager of the Colonial Sugar Refining Company, Sydney—there is no doubt that he is interested in the production of spirit from molasses—Dr. Fiaschi, and Mr. A. B. Holmes. In Victoria, the following gentlemen gave evidence:—Messrs. H. Brind, distiller, Warrenheip; S. Joshua, managing director of Joshua Brothers Proprietary Limited, Melbourne; J. M. Joshua, C. P. Preston, Australian Distillery Company, South Melbourne; H. A. Preston, distiller, Abbotsford; and W. P. Wilkinson, Government Analyst for the State of Victoria. These were the principal witnesses who gave evidence before the Commission. After having analyzed their testimony very thoroughly during the past few days, it seems to me that the recommendations of the Commission are based upon, I will not say a mistake, but upon a miscalculation. But there is no doubt of one thing, namely, that the Treasurer cannot afford to lose all the revenue that would be sacrificed if we adopted their recommendations. Therefore the Government are compelled to submit proposals which otherwise they would not have made. I hope that honorable members—many of whom have particular knowledge of this question—will give this matter their very close attention. This morning I have been in consultation with the Comptroller-General, who has gone through these resolutions, and he is now framing certain alterations which he thinks ought to be made in them. These I hope to have in my possession before the debate closes.

Mr. HIGGINS.—Has the Minister no proposal to make now?

Sir WILLIAM LYNE.—I had not much time to go into the matter this morning, but certain alterations are being drafted at the present moment, and I should like to see

them either in print or in typewritten form before I submit a definite proposition.

Mr. WATSON.—Then we had better postpone the consideration of the matter.

Sir WILLIAM LYNE.—No. I think that honorable members had better proceed with the debate, because I fancy that a good deal of information has been given to some of them concerning these questions, and it is just as well to have the matter threshed out.

Mr. HIGGINS.—We shall simply be beating the air.

Sir WILLIAM LYNE.—I intend to proceed with the resolutions now, but at a later stage, when I have received the recommendations of the Comptroller-General, I will submit them to the Committee if I consider that they are of a justifiable character.

Mr. JOSEPH COOK (Parramatta) [3.57].—I congratulate the Minister of Trade and Customs upon having brought down a set of proposals in which he does not believe, and upon having thrown them on the table in much the same way as a man throws a bone to his dog. I have not the slightest intention of commencing to gnaw that bone myself. I prefer to wait until the Minister has brought down his mature and definite proposals, so that honorable members may discuss something of a tangible character. I have certainly never known a Minister who was engaged in formulating proposals as important as these are—they affect our revenue to the extent of millions sterling, so far as their total yield is concerned—to frankly tell the Committee that he has no definite propositions to submit, and to ask honorable members in the meantime to discuss something before the Chamber, but to which his own knowledge led him to believe he could not subscribe. That is an unheard-of position of affairs, and one that I venture to say will find no parallel in any of our State political arenas in connexion with proposals made by any of our State Ministries.

Sir WILLIAM LYNE.—Could I do anything which would please the honorable member?

Mr. JOSEPH COOK.—It is not a matter of pleasing me or any other honorable member upon this side of the Chamber. The position is that the Minister, who is responsible for the conduct of his own Department, and who is the custodian of the Customs and Excise revenues of the Commonwealth, should know what he ought to

do under a given set of circumstances. After having received the mature opinions of the Tariff Commission, which have spent many anxious months in the consideration of these matters, he ought to have made up his mind as to what would be his final attitude in regard to them.

Sir WILLIAM LYNE.—It is the report of the Commission which makes the trouble.

Mr. JOSEPH COOK. — It appears to me that the trouble of which the Minister speaks has only arisen since his visit to South Australia. May be if he paid a visit to New South Wales in connexion with this matter his opinion might be again varied. I hope, at all events, that the further proposals will not be like the lame, silly speech which the honorable gentleman made at Adelaide on Saturday night last. Perhaps it was because his mind was preoccupied with these more important matters that he then delivered the disjointed speech which we read in the newspapers.

Sir WILLIAM LYNE.—Has that speech anything to do with the proposals now before the Committee?

Mr. JOSEPH COOK.—It has, since, among other statements which the honorable gentleman made at the meeting in question, was the assertion that he believed in protection, and not in Excise duties. Are we to understand that when he spoke in that way he was referring to the spirit duties? I should say that he will have to believe in Excise duties in relation to spirits, whether or not he likes them in connexion with other matters. But I am not going to discuss this question at the present stage; I prefer to wait until the Minister brings down his definite proposals.

Sir WILLIAM LYNE.—If the honorable member does not discuss them now, he may have to wait some little time for another opportunity.

Mr. JOSEPH COOK.—I am not particularly concerned in that regard. I point out that the Minister now seems to be in a most casual mood. He appears to be proceeding in the most leisurely way in regard to these matters, which were at one time said to be of pressing urgency and importance. We have heard times out of number of the way in which our Australian distillers have been and are being punished by our mangling and strangling Tariff. It seems now, however, that the nearer we approach the general election the less

urgency there is in relation to Tariff questions. Here we have another illustration of this fact. The Minister of Trade and Customs is in the most casual and leisurely mood, and does not care whether or not he proceeds with the consideration of these matters. If he cares nothing about them, I fail to see why the Opposition should trouble very much. I rose only to protest against the Minister's method of proceeding with important matters, since he has indicated to the Committee that he has another set of proposals which may radically differ from those now before us, and which he will bring down on a subsequent date.

Sir WILLIAM LYNE.—I said nothing of the kind.

Mr. JOSEPH COOK.—Has not the honorable gentleman indicated to the Committee that he is going to make some alterations?

Sir WILLIAM LYNE.—I said that there might be some alterations suggested in regard to one or two of the clauses.

Mr. JOSEPH COOK.—If the statement of the honorable gentleman that as soon as he had looked further into these matters he found some serious faults with them does not indicate the necessity for serious consideration, I should like to know what does. At any rate, his tentative, timid attitude serves only to make the position more serious. Other honorable members may proceed, if they desire to do so, to discuss these questions, but I propose to wait until the Minister comes down with matured and connected propositions which the Government are able to stand by—subject, of course, to reasonable discussion in Committee—in other words, until Ministers have finally made up their minds as to what they propose to do with regard to the spirit duties.

Sir JOHN QUICK (Bendigo) [4.5].—Some time ago the Prime Minister, in referring to the report of the Tariff Commission with reference to spirits and the distillation question, expressed his gratification that the report was a unanimous one, being signed by all members of the Commission, and said he thought there would be very little difficulty in dealing with it at a single sitting.

Mr. DEAKIN.—Hear, hear.

Sir JOHN QUICK.—The honorable and learned gentleman also said that he scarcely anticipated that the occasion

would be availed of by the members of the Tariff Commission to fight the question over again. As a member of the Commission, I can give the Committee an assurance on behalf of my brother members and myself that we have no desire to thresh out this question any further than we have done.

Mr. FULLER.—Hear, hear.

Sir JOHN QUICK.—We have done our duty to the best of our ability, and in the light of the information which we have gathered from all parts of Australia. We have heard all sides and every possible phase of this great and important question. Our conclusions are based, not upon any personal predilection, sympathy, or tendency, but strictly upon the evidence given on oath before us. They have been arrived at after very careful, thoughtful discussion and consideration, and we have done our very best. If they do not please the Minister or the Committee, or the country, we are very sorry, but we cannot help it. It is not my desire to occupy the time of the Committee to any extent in appearing before it in the capacity of an advocate or pleader on behalf of the report of the Commission. That report speaks for itself, and I hope honorable members will not think that I or my honorable colleagues desire, whilst giving explanations of it, to appear in the character of partisans or advocates. We are quite prepared to listen to arguments or to offer explanations; in the last resort, of course, the consideration and determination of details, depends upon the Committee. I should like to say, however, that it would be rather unsatisfactory to the members of the Commission who have been investigating and considering this question for upwards of fifteen months if the conclusions which they have reduced to writing and submitted, to Parliament were lightly or carelessly thrown aside in response to clamouring letters in the press, to clamouring deputations to the Minister, or to representations made to him, and, it may be, to other honorable members, by those who are not quite satisfied with some of the details of the report. It will not be satisfactory to us, and I do not think that justice will be done to the great cause, if honorable members allow themselves to be lightly or hastily influenced by letters in the press or communications addressed directly to them, or if our deliberations be disregarded

in favour of suggestions made either by letter or in the course of an interview.

Mr. HIGGINS.—The letters in the press are often unsigned.

Sir JOHN QUICK.—That is so. The members of the Commission are absolutely disinterested, but would like the Committee to do them the favour of considering their report and reading the evidence upon which it is based, before they denounce their work and reject it as useless. I was rather sorry to hear the Minister launch the debate this afternoon in such a light-hearted way, to hear the almost disparaging terms in which he referred to the report of the Commission, and to notice the way in which he seemed to brush aside some of its recommendations. No doubt those remarks would, to some extent, prejudice the case at the very outset; but I point out to the Minister that he, at any rate, cannot claim to have given this subject, which is, to some extent, scientific and technical in many of its branches and phases, the same amount of consideration and thought that members of the Tariff Commission have given to it over a long period of time. None of their conclusions are hasty; none, I think, can be regarded as conclusions based on anything like party considerations. As honorable members well know, these are the considered conclusions of both parties—both sides of the House—in fact, all round the House. The Labour Party and the Free-trade Party are both well and ably represented on the Commission, and I need not say anything in regard to the Protectionist Party. All classes and all sections of the House are represented, and every one has had a fair hearing; so that it would be very unfair to this great work if honorable members were to allow themselves to be deluded by fugitive correspondence and letters in the press. In this great question, as in all other great questions, there are several aspects to be considered. Many of these aspects are local; there is a South Australian aspect, and also a Victorian and a New South Wales aspect.

Sir WILLIAM LYNE.—And there is a Joshua Brothers' aspect.

Sir JOHN QUICK.—There is also a Commonwealth aspect.

Mr. JOSEPH COOK.—The Minister of Trade and Customs says that there is a Joshua Brothers' aspect.

Sir WILLIAM LYNE.—Messrs. Joshua Brothers have been communicating with us.

Sir JOHN QUICK.—So far as the Tariff Commission is concerned, we have endeavoured to view everything from an Australian stand-point, and, so far as we could, to be fair, and do justice all round; and it may be that there is complaint for the reason that we have not been able to please everybody. It is impossible to please everybody, and those who attempt to do so must fail. So far as Joshua Brothers are concerned, I do not think that they are satisfied, because Mr. Joshua was, I believe, the first to complain. I have seen him buzzing about the precincts of the House for a considerable time past, and I know that he has been writing letters on this subject; indeed, from what I can hear, he is one of the most dissatisfied. At any rate, he sent letters to me expressing dissatisfaction; and the fact that there is dissatisfaction all round may lead honorable members to the conclusion that there are many aspects to be considered, and that, after all, it is not what Messrs. Joshua or Mr. Penfold may think that has to be taken into account, but what this House thinks on the whole question, after giving due attention to all its phases. I do not propose at this stage to enter into the details of the scheme submitted, because I think that would be anticipating many stages through which we have yet to pass. But, with the permission of honorable members, I shall, at various stages of the discussion, say a few words on particular branches of the question. It would be of no use to cover the whole ground at the present stage, and to deal with a lot of technical matters which might be lost sight of when we come to consider the question in detail. But, before passing away from a few general observations, I should like to quote one or two letters I have received—I suppose other honorable members have also received them—giving a general idea of the position of the distilling industry in Australia in relation to the reports of the Tariff Commission. Messrs. Joshua Brothers, in a letter dated 7th July, say:—

The report, as a whole, is highly satisfactory to us, and we think also that it is of great satisfaction to Australian distillers generally. What we regard as flaws in it are quite subsidiary, but might, nevertheless, prove disastrous if allowed to go unchallenged. We desire to point out that our letter of 21st February, which you have been good enough to print as an appendix to the report, sets forth that our malt

whisky and wine brandy have been distilled up to a maximum strength of 35 o.p. Spirits required to blend with these, in order to make the popular tasting liquors, require to be distilled up to a higher strength.

That is the first letter they wrote, and it was written under a misconception. A few days ago Messrs. Joshua Brothers sent the following telegram:—

Misled fragmentary press reports your complete proposals now before us amply satisfied if passed in entirety, sole exception, clause allowing 75 per cent. molasses whisky, as pointed out our letter to you yesterday. Compliment you and members whole report.—Joshua Bros.

It may be that some of the dissatisfaction expressed in other quarters at the present time may be based on a similar misapprehension; it may be that others have been misled by the fragmentary reports in the press. This may arise, perhaps, through no fault of the press, but owing to the piecemeal manner in which the report of the Tariff Commission was submitted to the House.

Sir WILLIAM LYNE.—How could the report of the Tariff Commission be submitted in any other way?

Sir JOHN QUICK.—I was not suggesting that the report could have been submitted in any other way; but my own opinion is that either the whole report ought to have been submitted to the House at the time, or that it should have been withheld.

Sir WILLIAM LYNE. — And every night honorable members clamouring for the report.

Sir JOHN QUICK.—I am only referring to the result of the piecemeal manner in which the report was submitted. I know of no report of a Royal Commission having been similarly treated, namely, the body of the report separated from the recommendations—the body of the report submitted at one stage, and the recommendations submitted at another stage, and both afterwards forming two separate parliamentary documents. That was hardly fair to the Royal Commission, and no wonder misapprehension arose, as in the case of Messrs. Joshua Brothers, who admit that they were misled by the fragmentary manner in which the reports were circulated.

Mr. HIGGINS.—Did the Government receive the two parts together?

Sir JOHN QUICK.—Most decidedly; the report and the recommendations were submitted in one document, signed at one time by the members of the Tariff Commission.

Mr. JOHNSON. — Then it was not the Tariff Commission, but the Government, who separated the documents?

Sir JOHN QUICK. — Most decidedly. Do honorable members think that the members of the Tariff Commission would be so unbusiness-like as to submit their report in two parts? The report was submitted as a whole. I am not making any particular complaint on this score, but pointing to the fact that misapprehension has arisen. I should now like to read a communication sent by Mr. H. A. Preston, of the Abbotsford Distillery, giving his opinion on the work of the Commission. Mr. Preston said—

I have the honour and pleasure of saying that the best thanks of the distillers and the general public are due to you and the members of the Commission for your recommendations, and, if passed by Parliament, Australia will have the most scientific Tariff in the world with regard to spirits. Britain and France are both demanding such a one at the present time. It would have the threefold incidence of protection—against the world's cheap and inferior spirits—for the local distiller who wishes to make a good article, as against the one who may not; and, lastly, for the consumers, in that they will know what they are getting, and have a better article cheapened to them by way of difference of duty. I particularly desire to emphasize the fact that neither whisky for blending purposes, pure malt whisky, nor grape brandy, should be distilled above 40 degrees overproof, and all distillation should be through pot-stills only. In conclusion, I trust that Parliament will see fit to indorse your recommendations by passing them into law as nearly intact as is possible.

Mr. Chas. P. Preston, of the Australian Distillery, South Melbourne, writes me a letter to similar effect substantially. I received another letter from Mr. Henry Brind, one of the oldest and most experienced distillers in Australia, of the Ballarat Distillery. In this letter, which is dated 16th July last, Mr. Brind says—

Your most arduous duties as Chairman of the Tariff Commission, having now been lightened, we feel it our duty to thank you and your brother Commissioners for your recommendations *re* the spirit industry, which we think to be most equitable and scientific alike for the people of the Commonwealth and the distillers, enabling the latter to make a pure, unadulterated article, and the public to know what they are buying. We sincerely hope that your report will be adopted without any amendment. We also thank you for your desire to have the measure brought before the House at an early date.

I also received a telegram on 8th August from Mr. Jas. Thornton, the president, and Mr. John Ashton, the general secretary of the United Licensed Victuallers'

Association of New South Wales, as follows:—

This Association thoroughly indorses the recommendations of the Tariff Commission in regard to our trade.

The only discordant note in the correspondence I received was a communication from Mr. Cleland, the secretary of the South Australian Wine Growers' Association, in which the following passage occurs:—

My association is of opinion that the term "brandy" should only be allowed to apply to spirits distilled exclusively from fermented grape juice, and that in view of the large and increasing proportion of brandy in use for medicinal purposes, its purity should be upheld and guaranteed by strict Government supervision.

That is the only communication by way of protest that I have received, apart from some references to small matters of detail, such as the degree of alcoholic strength of distillation. These matters of detail are fairly open to consideration. They are matters upon which even members of the Commission have no very pronounced views. Whether distillation should be at an alcoholic strength of 35 per cent. or 45 per cent. over-proof is not a vital question, but it is vital that unless these spirits are distilled at a certain defined strength over-proof, they shall not receive the preference and advantages which we have recommended.

Mr. HUTCHISON.—Why did the Commission propose to let the distillers introduce 75 per cent. of spirit distilled from other material.

Sir JOHN QUICK.—That is but one of the immense number of details involved in the scheme. I shall deal with it later on, but I am now giving an explanation of some of the leading points at issue. I should like to say that the general principle of the scheme of Excise duties on spirits recommended by the Commission is that certain concessions and advantages should be granted to spirits of Australian origin, distilled under the supervision of the Excise authorities, and complying with certain Excise conditions. Apart from any question of free-trade or protection, the members of the Commission reasoned the matter out in this way: If we were to recommend Parliament to impose certain stringent conditions for the production of spirits, certain improvements in production by pot still, patent still, or other methods, a certain strength of production, a certain time for maturing, and the use of certain materials, we could fairly recommend

Parliament to grant concessions and advantages to the manufacturers who produced spirits in compliance with those conditions. That is the basic principle of the whole scheme. We therefore proposed a scheme of Excise duties upon spirits based upon the following principles of classification:—First, with respect to materials of origin, such as grape wine brandy, barley malt whisky, blended brandy, blended whisky, rum from molasses, gin from barley malt or other grain, and, finally, spirits, *n.e.i.* These are the materials of origin indicated in the Commissioner's report, and with reference to them, it was felt that there might be, instead of a uniform Excise duty, a graduated duty, because it was thought that a spirit produced from barley malt or grape wine at a cost of from 3s. to 4s. per gallon should not bear the same Excise duty as a cheap spirit produced at a cost of only 1s. per gallon. Hence the graduation of the duties recommended was based to a large extent upon the cost of production.

Mr. POYNTON.—Then the Commission propose to allow distillers to add 75 per cent. to 25 per cent. of grape wine spirit?

Sir JOHN QUICK.—If honorable members desire to have anything like a clear statement from me, they had better not interrupt my speech. The material of origin was the first consideration, the second consideration was the method of distillation and the initial alcoholic strength. The third was detention in bond for a specified period in order to secure age and maturity. The fourth was compliance with the directions of the excise officers and strict excise supervision, and, finally, the coping stone of the whole scheme was that no spirit should be entitled to the proposed differential advantages and concessions, unless they were certified by a Commonwealth analyst to comply with the conditions named, were good and true to name, and produced in accordance with the regulations. Honorable members will see at a glance that, even though we may not have been successful, we, at any rate, endeavoured to base our scheme of classification on something like logical and reasonable grounds. We say in our report—

On these lines we recommend the adoption of the following duties of Excise on spirits:

Then follows the scheme, and as elaborated in detail in the report, it is substantially, although not quite expressed in

the resolution now before the Committee. I have certainly been somewhat surprised, however, to find that the Minister, having considered our scheme, having practically adopted it, and having embodied it in the resolutions submitted to the House, should now, because of some cry he heard in South Australia, or some other place, wish to abandon his own resolution, arrived at, it is to be presumed, after some consideration, and to disorganize the whole scheme.

Sir WILLIAM LYNE.—No; I said when I submitted the resolutions that I put them in that form, because they were submitted in that form by the Tariff Commission.

Sir JOHN QUICK.—I see. Then I must say that the honorable gentleman has hardly grasped the scheme yet, and it might have been wise and prudent on his part to take a little more time to consider it before he came down to denounce it, and to say something so disparaging concerning it as to be calculated to destroy it. If the Minister begins in this way, in all probability the scheme might as well be thrown into the waste-paper basket, unless honorable members generally rise to the occasion, take the matter into their own hands, and work out the problem for themselves, apart from the Minister's advice. I ask honorable members to consider the first item—

Brandy, distilled wholly from grape wine by the pot-still or similar process at a strength not exceeding 35 per cent. overproof, matured by storage in wood for a period of not less than two years, and certified to by a Commonwealth analyst to be pure brandy—per gallon 10s. (4s. less than import).

That is now altered to 11s.

Mr. JOSEPH COOK.—The certificate referred to would be equivalent to a standard?

Sir JOHN QUICK.—What is meant is, that it is to be certified by a Commonwealth analyst to be true to name, and true in respect of compliance with the statutory provision. Everything in that item is based upon evidence given on oath before the Commission, and that is the best specification for the production of a true brandy that we were able to devise. It might be called a scientific stipulation as to the mode in which it is to be made in order to secure the preference of 4s. If the distillers comply with those conditions and requisites, they are to get that preference, but not otherwise. The next point is a blended brandy, and I believe it is in

connexion with the blending controversy has arisen.

On this question, there was before the Commission be two great parties. One is brandy which is to be composed of wine spirit exclusively—the introduction of any spirit—while the other party is that whilst it was true that true brandy was a spirit of grape wine, in the course of time a kind known as the brandy came into use, and that the brandy is grape wine spirit which has been mixed with a blending spirit of, or derived from, other materials—grain, potatoes, rice, or molasses. The whole contention is as to whether we should recognise a blended brandy—of commerce—or as to whether it should be a brandy known only as pure brandy.

Mr. KENNEDY.—That is not the difference I think.

Sir JOHN QUICK.—Yes; that is the material point. I know what the opinion of my South Australian friends is. I have taken the whole case fought out, and that I ought to understand as to what has come about it by this time. I had received opinions upon this matter. I have proached it with an open mind; and that I have indicated the battle-ground, and let us see what the evidence is, apart from the letters which have appeared. The first piece of evidence to which I would invite the attention of honorable members is that of Mr. Saul Joshua, given at Melbourne on the 17th February, 1905.

Mr. POYNTON.—He was an interested witness.

Sir JOHN QUICK.—I shall quote the evidence given on both sides of the question. Mr. Saul Joshua gave the following evidence:—

876. Would you describe genuine brandy?—Brandy made from a spirit distilled from grapes. It is described in that way by some legalographers; but as a fact there is very little brandy of that description in the world. I have before me the figures showing the production of France.

877. What would you describe as a good brandy fit for human consumption?—I should say a blended brandy, such as is understood in the trade as the brandy of commerce.

878. But have you not just told us that the brandy of commerce may mean a brandy which is the product of distillation from potatoes, beets, and other things?—It could be.

879. What is the blend that you speak of as a good, wholesome spirit?—Wine spirit with

grain spirit, or malt spirit, or sugar spirit. Blended together, as made in France.

In reply to question 882 he gave figures—which were challenged at first, but which were confirmed afterwards as absolutely true—as to the production of brandy in France. He gave statistics showing that in a period of eleven years, the average quantity of brandy produced from grape wine was 2,500,000 gallons, and yet, in that period, France, he went on to prove, purported to manufacture, consume, and export, 45,000,000 gallons, the obvious inference being that the 45,000,000 gallons of so-called brandy was a blended brandy, and could not possibly have been made exclusively from grape wine, because only 2,500,000 gallons of grape wine spirit were produced annually in all France. That is all the evidence I shall quote from Mr. Saul Joshua, as some honorable members seem to think that he is interested. I shall now quote from the evidence of Mr. Daniel Ferguson, a disinterested witness, who is Chief Inspector of Distilleries in Victoria, and a thorough expert. He did not take sides between the distillers. In reply to the honorable member for Perth, he gave the following evidence:—

1862. Is wine invariably used for the production of brandy?—They have first of all to use wine.

1863. Is any brandy made in Victoria from material other than wine?—The foundation of brandy is grape spirit, but other spirit may be added to it.

Mr. WATSON.—Does the honorable and learned member call 25 per cent. of grape wine spirit the foundation of brandy?

Sir JOHN QUICK.—Some of the witnesses think that that is a very fair foundation, but I would remind the honorable member that it is the minimum.

Mr. WATSON.—It suggests the idea of a pyramid standing on its apex.

Sir JOHN QUICK.—It could be higher than 25 per cent., but that is the minimum.

1864. Why?—For reasons affecting the article, and to give the brandy a distinctive taste. The public do not like a pure grape brandy, because there is too much of the wine taste in it. Hence the distillers try to produce an article which will suit the public taste.

1865. At one time, when people drank brandy, they drank what was undoubtedly the product of the grape?—They may have done that years ago.

1866. Is the taste for grape brandy modified with other spirit a correct taste?—That is for the public to decide. If I wanted brandy purely as a beverage, I would prefer that to which a

little spirit had been added; but if I wanted it purely as a medicine, I would desire pure wine brandy.

Mr. JOSEPH COOK.—What does he mean by the addition of a little spirit?

Sir JOHN QUICK.—A little white, or highly-rectified, spirit. The next witness to whose evidence I invite attention in justification of this differentiation is Henry Duncan Brown, the Chief Distillery Officer in New South Wales, a very able and disinterested man. His evidence is as follows:—

18662. Do you think that the name "brandy" should be restricted to spirits produced from grape-wine, or grape materials?—There is a great difference of opinion on that subject. For my own part, I do not think that a mixture of pure grape-spirit—that is, brandy, as some wish it to be called—with silent spirit would be unwholesome. I doubt very much whether such a mixture would not be better for drinking purposes than is a pure grape brandy.

18663. Such a mixture might be wholesome, but it would not be brandy?—That is so.

18664. Should it not be called by its true name—a blend?—Yes; but the difficulty is that brandy can be imported without any restriction.

18665. Certainly, but the same system would have to be applied all round?—That is where the difficulty would arise.

18666. Could not such a provision be applied to the imported article?—No; for a reason that I shall explain. If a blend consisting of a pure grape spirit, and a silent were imported, an analyst would not be able to say what it contained. He would only find spirits derived from grape brandy. If an imported article consisted of a blending of potato spirit and pure grape spirit, and were labelled "Pure grape brandy," the analyst would not be able to detect the fraud.

He pointed out that, while true brandy is produced from grape wine, what is called a blended brandy has come into use, but he would confine the term brandy to brandy made from grape wine spirit, labelling the mixed spirit known as blended brandy in such a way that the public would be aware that in purchasing it they were buying, not true brandy, but a blend. I will quote another short passage from his evidence—

18994. Do you think it would be right to require that brandy shall not be mixed with alcohol derived from any other source than grape wine?—I do not see any objection to the blending of brandy with silent spirit, and calling it a commercial brandy.

18995. Do you see any objection to requiring such brandy to be labelled "blended brandy"?—I am decidedly in accord with that.

Mr. MAHON.—Perhaps some of the imported brandy is not made wholly of grape wine spirit?

Sir JOHN QUICK.—The witness pointed out that a great deal of imported

brandy may contain other than grape wine spirit, but that the presence of that other spirit could not be detected, and, therefore, imported blended brandy could masquerade as true brandy, whereas local brandy made under the supervision of the Excise officers could not contain any but grape wine spirit.

Mr. MAHON.—Therefore, the local article would be under a disadvantage.

Sir JOHN QUICK.—Yes, unless a corresponding burden were placed on the imported article. The witness seemed to think that brandy produced from grape wine spirit should be exclusively entitled to the name, and that any compound should be termed blended brandy.

Mr. WATSON.—Did any analytical chemist say that the proportion of rectified spirit in a brandy could not be distinguished?

Sir JOHN QUICK.—Mr. Wilkinson, the analytical chemist of Victoria, said that when spirit is rectified to a high degree it can not be distinguished.

Mr. WATSON.—But spirit rectified to a high degree is not brandy.

Sir JOHN QUICK.—There might be 25 per cent. of true brandy of a strength not exceeding 35 or 40 degrees, but the amount of silent spirit in addition to the grape spirit could not be detected. Mr. Charles C. Tucker, a Sydney merchant, who represented the Sydney Chamber of Commerce, and is a thoroughly competent man, gave this evidence—

19927. You have told us that you would not allow the word "brandy" to be applied to spirit other than that distilled from grape wine?—Yes.

19928. Would you allow the term "blended brandy" to be applied to a mixture of grape spirit and grain, or some other spirit?—Yes. I believe that in England they allow the term "blended brandy" to be used.

I ask the representatives of South Australia to note that I have now read the evidence on which the recommendation of the Commission was based. It shows that an article called blended brandy is known to commerce.

Mr. BATCHELOR.—The honorable and learned member promised to read the evidence given on the other side; but he has not done so.

Sir JOHN QUICK.—I think that I have read enough to support my own case. Evidence was given in South Australia by Messrs. Cleland and Reid, who fought most strongly for the view that the term

brandy should be confined exclusively to spirit obtained from grape wine, and that no consideration whatever should be given to other spirit, under the name blended brandy, distilled partly from grape wine spirit, and partly from other materials. The Commission used the words "other materials," however, because we did not feel bound to restrict the makers of blended brandy to grape spirit and grape wine spirit. To do so would not be fair to our distillers, because it would restrict their choice of material, and prevent them from using barley, oats, rye, maize, beet, and other produce, the growers of which hope to profit by any increase in Australian distillation. The distillers claim the right to make their blends of such materials as they may see fit to use, instead of using only grape wine spirit distilled at a strength of 35 or 40 degrees overproof together with a highly rectified grape wine spirit. On the other hand, the South Australians—and it is to their honour and credit—have developed a first class brandy, which, I believe, is the best in Australia. I do them the justice of saying that.

Mr. POYNTON.—And the proposed new duties will destroy their industry.

Sir JOHN QUICK.—They will do them no harm whatever. The South Australian manufacturers of brandy have been carried away by panic—a panic which has been based upon a misconception. In the same way, Messrs. Joshua Brothers were acting under a misapprehension. The South Australian manufacturers desire that the word "materials" shall be struck out, and the words, "other grape wine," or "other grape refuse," inserted. We could not comply with their request, because we could not see our way to limit the blenders of brandy to the use of grape wine spirit. If we had done so, we should have acted in absolute contradiction to the knowledge and experience of the whole world with respect to blended brandy. Although in ancient days brandy was understood to be made wholly of grape spirit, we have moved forward since then, and the public taste has undergone a modification. As is shown by the evidence, a large section of the public do not like brandy made wholly of wine spirit, because of the wine taste imparted to it. They want brandy made partly of some other spirit. This may be a vitiated taste, but the distillers say that

they have to cater for the public requirements and to study the public inclinations, and that they cannot be tied down to the manufacture of brandy out of wine spirit pure and simple.

Sir LANGDON BONYTHON. — In other words, they find it necessary to adulterate?

Sir JOHN QUICK.—The use of the word “adulteration” is also founded upon a misapprehension. That term can be applied only when spirits are blended with the object of deceiving the public. In cases, however, where the spirit is honestly described, and the brandy is sold as blended brandy—in cases where, as we recommend, the description is affixed to the bottles and the packages—no one can be deceived, and it is wrong to apply the word “adulteration.” I appeal to honorable members

to say whether brandy sold under an honest description, and certified to by the Excise officers as having been distilled in a certain manner, and blended in a certain manner, can be called adulterated spirit. In such a case, the term adulteration is a misnomer. It is a purely hackneyed cry that has been raised to serve a certain purpose.

Mr. JOHNSON.—A spirit may be adulterated, notwithstanding that the bottle bears a description of the contents.

Sir JOHN QUICK.—I contend that the spirit is not adulterated, if it is sold under an honest description. If a blended brandy is sold as pure grape wine brandy, there is deception; but if customers wish to buy a bottle of blended brandy, and the word “blend” appears on the bottle, no deception is practised upon them. The word “blend” is frequently used to indicate that the liquor is made up of spirits that are not of uniform character.

Mr. POYNTON.—In many cases, the public will not know what is meant by the word “blend.”

Sir JOHN QUICK.—They will, because, if the recommendations of the Commission are carried out, each bottle will bear upon it a description of the materials of which the spirit is made. The whole of the objections to these proposals are due to an alarmist cry that has been raised in South Australia, and, if honorable members would calmly consider the whole matter, they would not be so ready to condemn the recommendations of the Commission. We cannot fly in the face of the public taste, or preferences. The South Australian manufacturers complain of the pro-

posal that distillers should be permitted to apply the term “brandy” to any liquor that is blended with other than grape spirit, and it seems to me that that is a most unreasonable view to take. Blended brandies have been in existence in Australia, France, and Great Britain for years past, and we cannot fly in the face of custom and the public taste. In paragraph 2, honorable members will see that a definition of blended brandy is given. The whole of the objections that have been urged against the recommendation apply to the inclusion of the word “materials.” If, however, that word were struck out, the whole virtue of the definition would be destroyed.

Mr. MAHON.—It might also inflict injury upon the farmers.

Sir JOHN QUICK.—Exactly.

Mr. GLYNN.—It would be more likely to injure the Colonial Sugar Company.

Sir JOHN QUICK.—We propose to establish a standard for pure brandy, and a standard for blended brandy, and it is intended, in paragraphs 2, 3, 4, and 5, to extend certain exclusive rights, privileges, and advantages to those who comply with the conditions laid down. If the brandy-makers of South Australia maintain their present high standard, and make brandy exclusively from grape wine spirit, they will have the sole right to describe it as pure Australian standard brandy. No other persons, unless they produce brandy of a similar character and composition, will be entitled to use that name. The makers of pure brandy will have a Commonwealth certificate to the effect that their spirit is of a certain standard, and no one else will be able to compete with them, unless their spirit possesses the necessary qualities. I contend that that is the most important protection.

Mr. BATCHELOR.—The South Australia brandy-makers are to go down in a blaze of glory.

Sir JOHN QUICK.—Those who make blended brandy will not be permitted to call it the Australian standard brandy, but must describe it as blended brandy. I believe that, as a matter of fact, there is a greater demand for blended spirits than for high standard spirits, such as pure grape brandy. That may be regrettable, but it is a fact, and the distillers have to manufacture spirits that will sell. Coming now to the question of preference, honorable members will see that grape wine brandy is to have a preference of 4s. per gallon,

whereas blended brandy will have a preference of 3s. per gallon. The preference of 3s. per gallon given to blended brandy is based upon a minimum percentage of 25 per cent. of pure grape wine spirit. That is to say, the blend shall consist of not less than 25 per cent. of pure grape wine spirit. But most manufacturers of the blended brandy will, in the course of practice, use more than 25 per cent. of pure grape wine spirit. Many will probably use 50 per cent., and some, perhaps, 75 per cent., of pure grape wine spirit.

Mr. BATCHELOR.—In other words, they will use the dearer article?

Sir JOHN QUICK.—They may do so for the sake of producing a better blend of brandy. In all probability it will be to their interests to use more than 25 per cent. of pure grape wine spirit in producing their blend, in order that they may give it more body, more tone, and more quality, and thus make, upon the whole, a superior article. That is the reason why the Commission could not distinguish between fractions of a shilling. We could not say that a duty of a shilling should be split up in accordance with the proportion of pure grape wine spirit which is contained in any blended brandy. We could not say, for example, that 25 per cent. of pure grape wine spirit in a blended brandy should give the distiller an advantage of 3d. per proof gallon, that 50 per cent. should confer an advantage of 6d. per proof gallon, and that 75 per cent. should confer an advantage of 9d. per proof gallon. We had to make allowance for the fact that in all probability the manufacturers of blended brandies would use at least 25 per cent. of pure grape wine spirit, and that others would require to use, perhaps, 50 or even 75 per cent. of that spirit.

Mr. JOSEPH COOK.—Is it not as easy to specify 50 per cent. as it is to specify 25 per cent.?

Sir JOHN QUICK.—The Commission recommended that a blended brandy should contain not less than 25 per cent. of pure grape wine spirit. It is claimed that our proposal constitutes a preference to the blended article as against the pure article. I fail to see it. If anybody thinks he can make a better differentiation, I should like him to try. Of course, any persons can say, "Let us destroy the scheme," but my reply is, "Let them suggest something better." The members of the Commission

have done their best. We could not favour the distillers in South Australia as against the distillers in other States.

Mr. BATCHELOR.—It is not a question favouring South Australia.

Sir JOHN QUICK.—There are distillers of blended brandy in other parts of Australia.

Mr. JOHNSON.—The whole proposal is in the interests of Messrs. Joshua Brothers. The whole thing was engineered by Mr. Joshua from the beginning.

Sir JOHN QUICK.—I am surprised at the honorable member always jerking out assertions in reference to Messrs. Joshua Brothers, as if they had "bossed" the Commission.

Mr. JOHNSON.—They are the only persons who will be benefited under these proposals.

Sir JOHN QUICK.—The honorable member should recollect that the report of the Commission was signed by four free-traders as well as by four protectionists. It is high time that he dropped his allusions to Messrs. Joshua Brothers. The Commission had to consider the whole of Australia. In Western Australia some distillers intend to go in for the manufacture of a blended brandy. It may not be to their interests to use the lowest percentage of pure grape wine spirit—namely, 25 per cent.—in the production of that article. If the higher percentage of grape wine spirit be used, the preference will probably pay out at about 2s. 6d. instead of 3s. per gallon.

Mr. JOHNSON.—Is the honorable and learned member aware that Joshua Brothers have just ordered 10,000 gallons of white spirit from the Colonial Sugar Refining Company?

Sir JOHN QUICK.—I know nothing about the matter, except what has been given in evidence upon oath, and I do not want to know. The honorable member can pry into the private affairs of that firm—

Mr. JOHNSON.—The information was supplied to me without any prying upon my part.

Sir JOHN QUICK.—Perhaps it has been supplied by a rival in the trade. I am not dealing with trade rivals—I am endeavouring to do justice all round. The members of the Commission did their best to reconcile conflicting interests without doing injustice to anybody.

Mr. JOHNSON.—I am not reflecting upon the honorable and learned member.

Sir JOHN QUICK.—I need not take up the time of honorable members by referring at length to the duties upon malt whisky, and upon blended whisky. The same principle which we adopted in reference to the duties upon brandy produced from pure grape wine spirit and upon blended brandy applies to the rates which we recommended should be levied upon malt whisky and upon blended whisky. The same principle of classification, differentiation and gradation, is applicable in each case.

Mr. MAHON.—Except that there is more whisky consumed, and that, therefore, if we omit the words "other materials," greater injury will be inflicted upon the farmers.

Sir JOHN QUICK.—The honorable member reminds me of a complaint which is urged on behalf of the whisky distillers in regard to the blended article. The fourth proposal before the Committee reads—

Blended whisky, distilled partly from barley malt and partly from other materials, containing not less than 25 per cent. of pure barley malt spirit, &c.

I am told that the whisky distillers desire the word "materials" to be eliminated, with a view to inserting in lieu thereof the word "grain." They urge this alteration in order to exclude the possibility of a blended whisky being composed partly of barley malt spirit and partly of molasses spirit. In regard to that suggestion I am quite willing to keep an open mind. I am prepared to hear arguments from both sides. The Commission inserted the word "materials" so as to make the proposal harmonize with the proposal which is contained in their second recommendation, thus giving the distillers discretionary power to produce a blend out of a basic spirit—in one case that spirit being pure grape wine spirit, and in the other a malt spirit—mixed with pure and highly rectified spirits made from other materials, subject to the veto of the Excise officer. If the latter found that the materials so used were injurious to the public, he could veto them. Some slight alteration has been suggested in regard to other matters, which I need not occupy time in debating. I have merely put before the Committee sufficient material to launch the discussion, with a view to affording honorable members an opportunity of considering some of the leading points.

Mr. MAHON.—What is the explanation of the ninth proposal which levies a duty of 40s. per proof gallon upon spirits *n.e.i.*?

Sir JOHN QUICK.—I cannot understand that proposal. There must be some explanation of it, but at present it is unfathomable to me. Before resuming my seat, I should like to say one or two words upon the revenue aspect of this question. Honorable members will observe upon page 4 of the Commission's report, the following:—

We recommend no change in existing rates of duty on imported spirit; but if the foregoing set of excise duties be adopted, we recommend that bulk spirit imported into the Commonwealth, and imported bulk spirit reduced and bottled in bond within the Commonwealth, shall be entitled to an allowance for under proof similar to the allowance of excise duty on spirits produced in Australia upon evidence being given to the satisfaction of the Minister that a period of at least two years has elapsed since the distillation of the same, provided no such allowance shall be made on any strength less than 16.5 under proof.

Upon a full consideration of the whole of these proposals, we arrived at the conclusion that whilst we were justified in recommending certain reductions in the Excise duties upon spirits, we could not—and we deliberately refused to do so—recommend any alteration in the import duty. We worked out a scheme designed to give certain advantages and concessions to the local manufacturer, but we desired that those advantages and concessions should be plainly and clearly expressed upon the statute-book, without any reservation or condition—without anything arising indirectly, and producing results which we did not anticipate or did not desire to express. We arrived at the conclusion that, provided that the conditions I have mentioned were complied with, grape wine brandy was entitled to a clear advantage of 4s. per gallon; that blended brandy should have an advantage of 3s. per gallon; malt whisky, 4s. per gallon; blended whisky, 3s. per gallon; rum and gin, 2s. per gallon, and so forth. In arriving at this decision, we did not wish in any way to alter the existing import duty, nor to cause any disturbance in trade in regard to the ordinary wholesale or retail selling prices. Under the Commonwealth Tariff, during the last five or six years, there has been in operation an import duty of 14s. per gallon. That has led to certain selling rates in the Commonwealth, and it was thought that if there were an increase in

the import duty it would disturb the existing selling rates, and, perhaps, to some extent, prejudicially affect the wholesale as well as the retail trade. We intended no such disturbance; we intended to give a certain clear positive advantage without upsetting existing trade arrangements and methods of selling in the wholesale or retail trade. We also felt justified, for certain special reasons which I shall proceed to mention, in refraining from recommending an alteration in the import duty. Those special reasons are, shortly, that under the Commonwealth Tariff, there has been an enormous expansion in the production of spirits in Australia. That is proved by the following figures:—In 1899—which was a normal year before the adoption of the Commonwealth Tariff—there were distilled in all the Australian States 737,200 proof gallons of spirits, whereas in 1905 the production jumped up to the enormous quantity of 1,506,339 gallons, showing an increase of 769,139 gallons since 1899. The increase in the main was in the production of spirits from molasses in New South Wales and Queensland. By the establishment of Inter-State free-trade, those spirits obtained free access to the whole of the Australian markets, and an enormous impetus was thus given to the industry in Queensland and New South Wales. Prior to Federation, those cheap spirits would have had to pay high duties, and, consequently, they were shut out of the other Australian markets. But, as the result of the abolition of the Inter-State duties, the trade in molasses spirit received a tremendous impetus, and their production jumped up from almost zero to 700,000, 800,000, or 900,000 gallons a year. That is a very large expansion. There is also the expansion in the Australian production of brandy, which accounts altogether for the total increase I have mentioned. In the distillation of whisky, however, there was an absolute and complete collapse, resulting in the closing of all the whisky distilleries in Australia.

Mr. JOSEPH COOK.—Has the honorable and learned member any figures showing that during the same period there was an increase or decrease in the local output of pure grape brandy?

Sir JOHN QUICK.—There was a very considerable increase.

Mr. GLYNN.—There was a tremendous increase in South Australia.

Sir JOHN QUICK.—The figures I have quoted show an enormous increase in production, and, of course, that increased production meant increased revenue from excise duties. In 1899 the total amount received by way of excise on spirits produced in the Australian States was only £147,935—a comparatively small sum. In the year 1905, however, the excise collected on spirits under the Commonwealth Tariff jumped up to the large sum of £267,454, showing an increase, as compared with the return for 1899, of £119,519. The following figures, as to imported spirits, are interesting. In 1899, 2,504,926 gallons of proof spirit were imported into the various Australian States; whilst in 1905, 2,560,813 gallons were imported, showing an increase of nearly 60,000 gallons. I may say that, in the interval, there had been a big jump in the quantity of spirits imported, but that it fell away apparently to the normal figures of some 2,500,000 gallons. There was thus a slight increase on importations and an enormous increase in local production, and in the amount received from the accompanying excise duties. The result is that from imported, as well as from locally-made spirits, there has been a very large increase in revenue since the establishment of the Commonwealth—an increase amounting, probably, to £200,000. When the right honorable member for Adelaide submitted his scheme of duties on spirits, he based it, no doubt, on certain revenue expectations. These expectations have been more than realized. The revenue has been increasing by leaps and bounds, and this is particularly so in the case of the revenue from excise duties, for there has been every year since 1899 a gradual ascent in the returns. In view of these facts, the Commission arrived at the conclusion that, although they were about to recommend a reduction in the excise duties, they need not necessarily recommend any increase of the import duty. The total amount of revenue from spirits as a whole was so great—so far beyond expectations, and above all necessity that we felt we could reasonably reduce the Excise duties without recommending any increase of duty on the imported article. I am of that opinion still, and I see no reason to alter it. I have not had time to examine the figures quoted to-day, though I may, perhaps, find an opportunity during the debate to do so, and see whether there is anything to be said about the estimated

loss of the £70,000, the £80,000, or the £90,000. Assuming the estimate to be true, this expanding revenue from spirit is so great that there is no necessity to have any additional duty, in order to repair the loss.

Mr. POYNTON.—The expansion was much greater in 1901 than it is now in the matter of imports.

Sir JOHN QUICK.—I have mentioned that in the interval between 1899 and 1905 there was a big jump, but that since then matters have come to their normal level. I did not want to bother honorable members with the figures in full. The real reason the Tariff Commission did not recommend any change was that the revenue was of such a character that burdens might be struck off those suffering from the Excise duties, without imposing further import duties with, of course, a corresponding rise in Excise duties. I intend to support the recommendation of the Commission that there be no increase in the import duty. I see no justification for any increase; the time has arrived when we may fairly say that £2,000,000 is enough to receive from the spirit duties.

Mr. GLYNN (Angas) [5.21].—I think we may fairly compliment the honorable and learned member for Bendigo on his very careful exposition of the position from his point of view, and on the exceedingly good work he has done as Chairman of the Tariff Commission. Many of us must have been struck by the almost stupendous labours which the honorable and learned member and some of his colleagues have had to face in the work not only of taking evidence, but of afterwards reducing to synthetic expression the clashing opinions submitted to them. That is certainly a discharge of patriotic duty, which we, as members, can keenly appreciate. I can quite understand, at the same time, the anxiety of the honorable and learned member for Bendigo that the recommendations of the Tariff Commission should not be disturbed. We all, of course, have a little liking for our political offspring, no matter what it may be. It is a sort of reflection on our discretion or judgment—sometimes it touches our *amour propre*—if even the Ministry propose to interfere with recommendations, especially after such an elaboration of purpose and adjusting of evidence as we have had in this instance. At the same time, I admire the wisdom of the Ministry in seeking new light on the

duties proposed. I fully appreciate the view that resolutions, illegal in themselves, because they have to be hurriedly introduced, are, to a certain extent, tentative. They have to be quickly conceived in order to protect the revenue, and very often the technical information that may be desirable and necessary is not available; because the Minister would have to seek expert advice from persons, who, of course, may be just those prepared to take advantage of the new schedule of duties. Without an absolute disclosure of the Ministerial proposals, any man, not a fool, could very well gauge what duties were likely to be brought down or increased from the questions submitted to him by the Minister seeking his advice. I can well understand, therefore, that the resolutions tabled about a fortnight ago by the Minister in regard to spirits, are, to a large extent, imperfect, and subject to such alteration as the Ministry may see fit in the course of the debate to make. Considering that we are still seeking light, I shall not do more than indicate the supreme importance of these proposals to South Australia, and also, of course, to the Commonwealth. This is not a South Australian matter purely. That State is very largely concerned, but the question of the purity of the spirits used in the blending of brandy is one that concerns the States as a whole. South Australia, it happens, however, is keenly interested in the matter. That fact does not altogether influence me, though it may undoubtedly stimulate me; I should not be here as a representative of that State if I did not feel, when her interests are specially affected, a higher degree of stimulus than that to which we must confess when we have before us matters which concern us purely as Commonwealth representatives. We represent particular districts and States, and questions affecting these we view with keener interest than we do those of general Australian application. At the same time, mere local interests do not influence me if I think that the higher interests of the Commonwealth direct another stand. I need only refer to the Australian Industries Preservation Bill, in connexion with which I had to some extent to oppose some interests of the district I represent. In the matter under discussion, if I thought it my duty to support the motion of the Ministry I should do so; but from the best information I could get in the last few days, as well as from reading the reports of

the Tariff Commission, I have come to the conclusion that we cannot accept the duties proposed by the Government. As to the effects of a blend of brandy not made purely from grape spirit—that is, 25 per cent. of pot still, and the rest rectified grape spirit—I have only to mention that last year in South Australia there was made 956,000 gallons of spirit from wine. Figures have already been quoted showing that in Australia nine-tenths of the brandy distilled is from wine. I think that the total production of wine in South Australia last year was 2,625,430 gallons—the largest quantity ever distilled in one State. A few years ago viticulture, which ought to be one of the leading industries of Australia, considering our climatic conditions and the peculiar character of the soil, had not assumed large proportions. There were then only a few thousand acres devoted to viticulture in Australia, whereas now, according to the Tariff Commission, there are about 65,000 acres thus used. The labour employed averages about £5 an acre, which, therefore, represents nearly £330,000 a year. When we consider that this industry, as measured by the progress of the last five or six years, is still only in its infancy, we can see the enormous possibilities, under fair fiscal treatment—that is under a differentiation that does not discourage the production of the pure article—which lie before the Australian producers. The position of South Australia is further emphasized by the fact that under the inspection duty of 1s. per gallon on spirits used for the fortification of wine, £45,000 was collected in 1904-5, of which, in round figures, £22,000 was paid by that one State alone. This indicates the importance of this question to South Australia, and I am pleased to see that the Government suggests the remission of this duty. From the revenue point of view, it was open to every objection that could be levelled against a pure revenue duty. It was unequal in its incidence in the different States—the figures I have given show that—and besides it was irregular in its return. Whilst the total revenue received from it was £45,000 in 1905, the total in 1904 was under £5,000. So that in addition to the other reasons given by the members of the Tariff Commission—and on this point there was unanimity—the disparity of incidence upon the States, and of yield from year to year, render the duty objectionable from the point of view of revenue. Hence,

Glynn.

I think it was a wise suggestion on the part of the Ministry that it should be abolished.

Mr. FOWLER.—But the expense of supervision should be provided for.

Mr. GLYNN.—A suggestion has been made by the Commission as to how that is to be done. The suggestion is made that there should be a pure inspection charge, and I suppose that solution is the correct one. It is stated in the report of the Tariff Commission on the wine industry in South Australia that—

Since the operation of the Commonwealth Tariff there has been in each year an increase in quantity of wine converted into spirits, and a decrease in quantity of materials other than wine used in the manufacture of spirits.

The report goes on to deal with matters to which I do not desire to refer at present, but on the question of purity, to which the honorable and learned member for Bendigo made so much reference, I should like to say that there seems to have been a great conflict of evidence before the Commission as to whether spirits other than pure grape spirit used for the rectification of wine, are pure; whether, for instance, alcohol made from molasses is absolutely pure. But I failed to observe that any doubt was expressed as to the purity of the spirit made from grapes. That is the point, and when we can have a pure spirit by relying upon distillation from the grape itself, I do not see why we should be driven back upon a spirit of conjectural purity, in order that resort may be had to molasses, potatoes, or other articles. There is a great conflict of evidence, not as to the purity of grape spirit, but as to the purity of other spirits. The honorable and learned member for Bendigo has quoted the opinion of some experts, showing that it is possible to get a certain degree of purity in the rectification of molasses spirit. It is said by some that ultimately all the spirits are pure from whatever material they may be produced. But we never get that ideal purity. As a matter of fact, it is never supplied, and if it were, there would be no such thing as flavouring. The flavour of brandy is not an idea—it is an element, the attenuation of the element to about its lowest state. Men in speaking of flavour in this connexion sometimes speak of it as though it were, to some extent, an idea like the flavour of smoking, but it is not. Wisely, I think, there is no proposition made to interfere with the provisions of the Distillation Act, under which wine can be

fortified only by a grape spirit, but the same argument which was then urged in favour of the continuation of that provision, certainly applies with equal force to the manufacture of brandy from a pure grape spirit. At page 11 of the report of the Commission on the wine-growing industry of Australia, I find this evidence dealing with the use of various spirits for the fortification of wine. According to the Commission's report, Mr. H. D. Brown, who was quoted by the honorable and learned member for Bendigo, thought that potato spirit, if added, would interfere with the quality of the wine. Mr. Thomas Henry Norrie, analytical chemist, said it is a distinct advantage to the wine to use grape spirit for fortifying purposes. Mr. Cleland, a South Australian, considered that grape wine spirit was the best for fortifying wine. Mr. Adrian Despeissis, Horticultural and Viticultural Expert of Western Australia, was of the same opinion. These are strong opinions in favour of the view taken by South Australians, but I again emphasize the point that there can be no doubt about the purity of brandy that is made of not less than 25 per cent. from pot-still brandy and the balance from rectified spirit distilled from the grape. Once we begin to blend with any inferior spirit, we shall not be getting what Australia should desire, and that is a brandy that will bear a reputation throughout the world for purity. We heard from the honorable and learned member for Bendigo that certain brandies are so pure that they are objected to. What are the brandies that are objected to? The pot-still brandy, which has to be matured for two years, because it contains the greatest percentage of oils requiring to be oxidized to make pure ethers, is not consumed in the ordinary way by the drinking public, but is mixed with another grape spirit, so as to produce a blend, 75 per cent. of which is rectified spirit taken from the grape and 25 per cent. of pot-still spirit. That is the blend in relation to which the duties are objected to as being the same as for the blend from molasses spirit. As regards purity, I have quoted from the Tariff Commission's report, but I find also that Mr. E. A. Mann, Government Analyst of Western Australia, as the result of recent tests of spirits made in Perth, has certified that all the Australian brandy he examined, without exception, appeared to be of genuine character. As nine-tenths

of the brandy produced in Australia is made in South Australia from grape spirit, that is a wide testimony to the value of the South Australian production. I do not think that in England they allow brandy which is not altogether produced from grape spirit to be used for medicinal purposes. I have no doubt that, in common with myself, other honorable members have received a letter on this subject from Messrs. Penfold and Company. I think that it deals only with the consumption for medicinal purposes, but an extract is enclosed in the letter from Messrs. Penfold from the *Licensing Review* of 30th July and of 6th August, 1904, in which honorable members will find very high testimony paid to brandy, whether blended or not, produced altogether from grape spirit. I need not read the quotation, as it is in the hands of honorable members. There is another matter to be considered in connexion with this. If a blend of molasses spirit is permitted, and molasses spirit to the extent of 75 per cent. is used, it will completely displace the use of grapes for the distillation of spirit. There is no question about that. According to the best evidence I have seen, it costs about 4s. per gallon to make rectified spirit from grapes. Molasses spirit can be bought at 1s. per gallon. Estimates for it are given from 8d. up to 1s. 3d. per gallon. If the duty proposed were 12s., the position as regards the grape blend would be 12s. duty and 4s. cost per gallon, or a total of 16s., whilst the molasses would be 12s. duty, and 1s. cost per gallon, or a total of 13s. per gallon. In other words, there is a difference of 3s. per gallon in favour of molasses. It would be impossible for the pure spirit to compete with it; it would be knocked completely out of the market. What would that mean? A few days ago I was in a part of South Australia—it is in my own district—where, within a radius of ten miles, between 10,000 and 12,000 tons of grapes are purchased every year for wine and the distillation of spirits. Let honorable members imagine farmers with acreages running from 10 to 130 or 140 having a ready market within a radius of a few miles for the sale of their grapes.

Mr. BATCHELOR.—There is no bonus for the production of grapes.

Mr. GLYNN.—Absolutely none. According to the season, these farmers get from £2 to £5 a ton for the grapes. But suppose that they were paid £2 a ton, as they

were last year. It would mean the purchase of 10,000 tons of grapes from the very class of men who ought to be encouraged, if there is anything in all this talk about democracy. But what is the position in that district? There are four of the leading distillers ready, in the intervals between seasons, to make advances on the crop of grapes, and without interest, I am told; so they really act as a sort of accommodation banker to the growers. There we have the beginnings of an ideal community. What do we get from the molasses? We get the product of the Colonial Sugar Refining Company, and that is the best output of the industry. I wonder what the planters of Queensland got last year out of a total surrender of £314,000, either directly in bonuses or indirectly through the shrinkage of duties as compared with 1901. I wonder how much the planters in New South Wales and Queensland will get this year out of bonuses which total up to £278,000. There is no bonus given on grape production; but molasses is the waste product of an industry which is already over-protected. According to the evidence of Mr. Joshua, the total quantity of molasses devoted to the production of spirits in 1904-5 was 7,000 tons, but the total production of sugar was 196,000 tons, so that the demand created for molasses by allowing brandy to be blended to the extent of 75 per cent. with molasses spirit is comparatively insignificant in relation to the total product of the sugar industry. I have told honorable members what this proposal will mean to the small vine-growers in a district of South Australia, and within a radius of ten miles. But let me now push the matter home. Are we driven to leave molasses alone? Will it remain a waste product if this preference be not given—a preference which might injure the reputation of our wine or brandy? On the 28th May, the American Senate passed a Bill allowing the use of spirits made from wood, potatoes, molasses, and other such materials for industrial purposes. It provides that it is to be denatured or adulterated—both words are used—under Government inspection, and then it is freed from excise. The matter was fully discussed in the *Scientific American* for July and previously. A few nights ago I read the articles, which fully explained the actual cost of production, and the uses to which the spirit can be put. On that point I should like to quote the evi-

dence of a periodical showing that in their experience the very best way to break down the monopoly of such bodies as the Standard Oil Company is to encourage, by freeing from duty, the use of spirit when denatured for industrial purposes, because, for cleanliness and other qualities, it is likely to supersede for many purposes the use of kerosene and other oils for supplying light, heat, and power. The quotation, which is taken from an American trade journal of about six weeks ago, reads as follows:—

On 24th May the Senate passed by a unanimous vote the Bill which provides for the freeing from taxation, after 1st January, 1907, of denatured alcohol used for industrial purposes. The Bill had previously been passed by the House, where it was opposed chiefly by the manufacturers of wood alcohol. This substance is to be used as an adulterant, however, to make the alcohol unfit for drinking. According to the provisions of the new law, the adulteration, or denaturizing of the alcohol is to be done in the various factories under the supervision of an internal revenue officer. By removing the tax from industrial alcohol, our Government has effectually put a stop to the domination of the oil trust over the use of liquid fuel for light, heat, and power. In Germany and France devices for using denatured alcohol for these purposes have already been perfected, and placed in actual use, and their adoption in this country will no doubt come quickly as soon as industrial alcohol is on the market. As this fuel can be produced from many vegetable products that have heretofore gone to waste, and that, too, at a very considerably lower price than is obtained for gasoline and kerosene to-day; there need never be any fear of lack of fuel, even should the coal measures all become exhausted, and the supply of natural oil cease. The new fuel, besides being cleaner and less volatile, will, when used in suitably-designed internal-combustion motors, develop about as much power per gallon as will the old, while for light and heat it is far superior. Its introduction will create a new market for the farmers of our country, while they will benefit directly from it also by using it themselves for the production of light and power.

Sir JOHN QUICK.—That is all dealt with by the Commission in its report on industrial alcohol.

Mr. GLYNN.—The quotation is not the less valuable on that account. I was going on to mention that that recommendation has been made by the Tariff Commission, so that all we have to do is to get the Minister to adopt it; and, as far as there is any necessity, therefore, to allow distillation from molasses, the spirit could be devoted to a use which would lead to a far greater consumption than one which might mean the death of the great wine spirit industry. I think I could quote from several witnesses

before the Tariff Commission to show the advisability of keeping our blends pure. As to the price of the molasses, it is somewhat significant that, in speaking of a scale of protective duties, Mr. Joshua talks about a duty of 2s. per gallon on molasses spirit, but a duty of 6s. per gallon on grape wine spirit, showing a bigger differentiation in cost between grape spirit and molasses spirit than I gave for the purpose of the comparison. I would strongly put it to the Committee that, by preventing the use of molasses spirit for the purpose of blending brandy, or, at all events, by so adjusting the duties that we do not differentiate against grape spirit, as is the case at present, we shall help the extension of a primary industry which ought ultimately to give a reputation to Australia. It is not a matter affecting a few men such as control the sugar industry; in some districts there are hundreds of farmers engaged in grape-growing. I ask that reasonable opportunities be given under the Tariff for the continuation of the development of this industry, which, during the last four years, under which the old Tariff of 11s. Excise on grape brandy, and 13s. on n.e.i., has made a tremendous advance, but which, if the blending provided for by the Government is allowed, will be destroyed, because growers will be unable to get rid of their grapes. That is why the representatives of South Australia are displaying an anxiety in regard to the matter which, although it may have distracted the honorable and learned member for Bendigo, is justified in view of the possible effect of the new duties.

Mr. FULLER (Illawarra) [5.52].—Whilst, in common with the other members of the Tariff Commission, I am perfectly prepared to justify and stand by the unanimous report to which we agreed after the hearing of much evidence, and a lengthy and earnest consideration of all the facts, I am not willing to do so after the flaunting manner in which the Minister of Trade and Customs has dealt with the subject. A few years ago, the Prime Minister used to say that the politics of the Federal Parliament would be on a higher plane than those of any State Parliament, and I ask him if the speech of the Minister this afternoon had the effect of placing our proceedings on a higher plane than those of a State Parliament? The honorable gentleman has admitted that he has not yet made up his mind in regard to the proposals which he has placed before the Committee,

and he asks us to amuse ourselves by discussing them while he finds time to consider whether he is justified in what he has done. I sympathize deeply with the Chairman of the Tariff Commission in the humiliating position in which he was placed by the Minister, and, as a member of the Commission, I feel that our report has been flouted. The Minister, on his own acknowledgment, does not understand its nature and tenor. Apparently, he will not stand by his motion, but intends later to introduce more mature proposals. Because of some outside agitation, and because of letters written to and interviews held with the Minister by persons who had every opportunity during several months to place their case before the Commission, the honorable gentleman tells us that he has not given the subject full consideration, and asks us to waste our time in discussing what he has brought forward, although he may later propose something quite different. I resent this treatment, both as a member of the Commission, and as a member of the Committee, and I ask the Prime Minister whether, as leader of the Government, he should not do something to place our proceedings on the higher plane of which he was so fond of speaking in years gone by, and which they do not now occupy.

Mr. DEAKIN (Ballarat—Minister of External Affairs) [5.56].—I am unable to find a reason for the honorable and learned member's impassioned words. The Minister of Trade and Customs said that he had obtained in South Australia and elsewhere information leading him to doubt whether sufficient protection is being afforded to the manufacture of pure wine brandy. But that is a subject for future consideration. Before we can deal with it, we must dispose of the motion now before the Chair, in which it is not involved, though honorable members have the undoubted right to criticise the whole of the proposals at this stage. The Government do not desire to prolong such general criticism. They would prefer the Committee to come at once to close quarters with the motion submitted. I do not think any honorable members could take exception to the fullness with which the Chairman of the Tariff Commission supported such of its recommendations as have been questioned by my honorable colleague.

Mr. FULLER.—Was it fair to require him to do so at this stage?

Mr. DEAKIN.—I do not know that it was necessary for him to do it at this stage. I understood my honorable colleague to intimate that, while the present motion was being dealt with, he would give consideration to representations for the amendment of a later proposal which had been strongly urged upon him in South Australia. It is true, as the honorable and learned member for Bendigo has said, that there is a South Australian view of the subject as distinguished from the New South Wales or the Victorian view, but the report of the Tariff Commission shows that the view of the vigneron of South Australia was indorsed by every prominent and influential vigneron in the other States.

Mr. KENNEDY.—The vignerons of Australia are agreed on the subject.

Mr. DEAKIN.—It is practically a vignerons' representation. I am sorry that the honorable and learned member for Bendigo took exception to the introductory remarks of the Minister of Trade and Customs. I heard no disparaging reference to the work of the Commission.

Sir JOHN QUICK.—The Minister's remarks sounded like a disparaging reference. He adopted a sneering tone, and, indeed, has always been an enemy of the Commission.

Mr. DEAKIN.—One has only to read the report to see how exhaustive an examination was made by the Commission, while the honorable and learned Chairman showed that he carries in his head, or has before him, all the information requisite for the detailed consideration of any proposition affecting this matter. I understood my honorable colleague to refer to comparatively minor alterations, which I do not wish to discuss now in anticipation, thus unnecessarily prolonging the debate. They cannot be dealt with until we have finished with the proposals for Customs duties, and have come to the proposals for Excise duties. The honorable and learned member, in quoting from a speech which I made at Footscray, brought together two parts of it in such a way as to alter the meaning of the second part. It is quite true that at Footscray I said that this report, having been indorsed by both sections of the Commission, should be disposed of in a very short time—I hoped, in a single night. At that time, however, the consequences to the revenue had not been presented to us, as they were afterwards, by the officers of both the Customs

and the Treasury Departments. In response to their representations, the Government, whilst adopting in principle the whole of the scheme of the Commission, with very great reluctance altered some of the duties. We sought, in the light of the best information available to us, to maintain the revenue at about its present level. At a later stage of my speech I spoke of those cases in which the members of the Commission might be divided, and expressed the hope that no one would raise the theoretical question of free-trade *versus* protection—a mere abstract question for argument between those of opposite fiscal faiths. The exact words I used were—

We want to put theoretical and doctrinaire considerations aside. In the last hours of this Parliament our business is to do business. The Tariff Commission has prepared the way. It has asked tens of thousands of questions; it has examined hundreds of people; it has made the tour of Australia. Parliament will give its recommendations all the weight they deserve in the knowledge of those facts, but Parliament is not there to re-discuss the questions of the Tariff Commission, and certainly not to invite the Tariff Commission to re-discuss them on the floor of the House.

Sir JOHN QUICK.—That was the passage to which I objected.

Mr. DEAKIN.—That statement does not appear to me to cast any reflection upon the Tariff Commission. I said in effect that Parliament was not here to discuss abstract questions, nor to ask the two sections of the Tariff Commission to do so. All that we were justified in doing was to ask the members of the Commission to give us the benefit of their practical experience. The honorable and learned member, therefore, has interpreted my statement in a manner that it was never intended to bear.

Sir JOHN QUICK.—I accept the Prime Minister's explanation.

Mr. DEAKIN.—I was quite sure that the matter would only need to be mentioned in order to show the honorable and learned member that he was mistaken.

Sir JOHN QUICK.—When a Minister sneers at the report of the Commission it is necessary for some one to say a word in support of it.

Mr. DEAKIN.—I do not think that my honorable colleague did sneer at the report of the Commission. I commenced by saying that what the honorable and learned Chairman stated was apt and pertinent. It is true that the Minister of Trade and

Customs challenged the report of the Commission in respect to paragraphs 2 and 4 relating to the Excise duties proposed to be levied upon blended brandy and blended whisky respectively. All that he indicated was that he was rather shaken in the adherence he had given to the conclusions of the Commission that the duty upon blended spirits should be only 12s. per gallon. He stated that he thought that the question was an open one, and invited an expression of opinion from honorable members as to whether the rate of duty should be increased.

Sir JOHN QUICK.—Does the Minister for Trade and Customs desire that the duty should be increased?

Mr. DEAKIN.—He stated that he was not satisfied that there should be an increase; but that his confidence in the recommendation of the Commission had been shaken. He had previously thought that the proposed duty would be effective as it stood.

Sir JOHN QUICK.—Does the Minister for Trade and Customs desire that the duty formerly levied should be continued?

Mr. DEAKIN.—I understand that he desires that the duty shall be increased from 12s. to 13s.

Sir JOHN QUICK.—That is the existing law. What is the use of all our investigations, if that is the conclusion at which the Minister has arrived?

Mr. DEAKIN.—My honorable colleague pointed out that the proposed alteration would make a difference in the incidence of the Excise duties, as compared with the import duties. Then he also made some suggestions with regard to the use of the word "grain" instead of "other materials."

Sir JOHN QUICK.—I have no objection to that.

Mr. DEAKIN.—So far as I followed my honorable colleague, those are the only two points to which he took any exception whatever in regard to the recommendations of the Commission.

Sir JOHN QUICK.—If the protection proposed to be given to blended brandy and whisky is reduced, the whole scheme will be destroyed.

Mr. DEAKIN.—Of course, the honorable and learned member speaks with authority on the subject. I must say that at this moment I am not prepared to argue how the manufacture of blended brandy and whisky in the Commonwealth ought to be treated. My honorable colleague's criti-

cisms were limited to two, one of which the honorable and learned member for Bendigo admits was of only secondary importance. Therefore the only exception that could be taken to his remarks is to the one suggestion with reference to the increase of the duty upon blended spirits. Surely my honorable colleague was perfectly candid in communicating to honorable members the impression that had been made on his mind by the *viva voce* representations made to him.

Sir JOHN QUICK.—He had not heard the other side from the Victorian distillers' point of view.

Mr. DEAKIN.—And for that reason he invited honorable members to consider the whole question, and indicated that he would be glad to hear any reasons or facts that could be advanced to justify the Commission's proposal. His attitude was a perfectly open-minded one, and I would point out to my honorable and learned friend that there was nothing derogatory to the Commission or Parliament in the action of my honorable colleague. After he had, with the consent of all his colleagues, adopted *en bloc* the whole of the recommendations of the Commission, he visited one of the greatest pure wine brandy centres of the Commonwealth, and heard a great many representations antagonistic to the proposals. Then finding himself unable to answer them as thoroughly as he would have liked, he appealed to the Committee to review that one question, and, if possible, meet the objections raised. He stated that at present his confidence in the recommendations of the Commission was shaken.

Mr. KELLY.—What would have happened if we had adopted the proposals without hesitation—would the Minister have accepted that which he did not believe in?

Mr. DEAKIN.—We have accepted the proposals as being based upon the recommendations of the Tariff Commission after an exhaustive inquiry. The Minister was naturally disposed to rely upon their recommendations, and now he merely challenges one of them tentatively, and asks honorable members to assist him in discussing it. He has frankly placed before honorable members the difficulty that has occurred to him. Of course, if the matter had been placed before the honorable and learned member for Bendigo,

he would, no doubt, have replied as he has done to-day—he would have given, in part, at all events, the reasons which could be urged against any modification of the recommendations of the Commission. No doubt there is a great deal to be said in support of the point of view put by him, but we can fully discuss the matter when the Excise duties are dealt with in detail. We have not yet reached that stage. We shall be called upon to deal first with the proposals to substitute higher duties for those previously collected upon imported spirits. The consideration of that matter is in no way affected by the suggestion of my honorable colleague, that one of the later proposals relating to the Excise duties may require to be reconsidered to some extent. My honorable colleague did not commit himself to any antagonism to the proposal, but indicated that when the time came he would be glad to receive further information. Therefore, after the issue immediately before us has been disposed of, we shall be able to fully examine the point that has been raised, and endeavour to settle any doubt that may exist.

Mr. FOWLER (Perth) [6.9].—It is very good indeed of the Prime Minister to come to the rescue of his colleague, the Minister of Trade and Customs, in connexion with these remarkable proposals of the Government. Unfortunately, however, we are being asked to consider certain recommendations of the Tariff Commission which the Government are themselves unable to indorse until they have further information. It is obvious that the proper course to adopt would be to postpone this debate until such time as the Government is in possession of the information necessary to enable us to discuss the question before us in a proper way. I am quite sure that no member of the Tariff Commission would say that the proposals of that body are not open to improvement. We have given a great deal of time to our work, and have considered the question now before the Committee from every possible point of view. We are prepared, at the proper time, to vindicate our attitude, but the Commission and honorable members are placed in an entirely false position when they are asked to debate certain proposals in regard to which the Government have practically no information to offer. Surely I am asking what is reasonable when I urge that this debate should be adjourned until the Government are in a position to put before honorable members

the information which they intend to obtain.

Mr. WATSON (Bland) [6.11].—I thought that the Government would have come forward with some proposal relating to the storage in bond of imported spirits. It is proposed—and I think very properly—to fix a minimum period during which locally-distilled spirits shall remain in bond, so that we may be assured that they possess some reasonable degree of maturity.

Mr. CONROY.—After all, I think the honorable member will find that that is a matter to be dealt with by regulation.

Mr. WATSON.—I do not think so.

Mr. CONROY.—The object of the proposal was to prevent anybody from coming into competition with Messrs. Joshua Brothers.

Mr. WATSON.—I do not think that any such blackguardly idea was present in the mind of the Minister.

Mr. CONROY.—Then the honorable member is a most simple-minded person.

Mr. WATSON.—Nor do I think that the members of the Tariff Commission would lend themselves to any such proceeding. The other day, I understood the Minister of Trade and Customs, in reply to a question put by the honorable member for Hindmarsh, to say that the Government were prepared to adopt some such proposal as I have suggested. He said that they intended to apply the same principle to imported spirits as was to be applied to spirits which were locally produced. In the absence of any Government proposal under this heading, I move—

That after the word "proof," line 16, the words "matured by storage in wood for a period of not less than two years," be inserted.

The honorable and learned member for Bendigo has suggested to me that the case might be provided for under the Distillation Act. But I would point out that that Act cannot touch imported spirits.

Mr. DEAKIN.—I am endeavouring to obtain a copy of the Bill of which these resolutions will form the base. The resolutions, if passed, will be embodied in a Bill of which they will form the Schedule. As I understand the position, what the honorable member desires will be provided for in the Bill.

Mr. WATSON.—The better plan would be to incorporate my proposal in the resolutions upon which the Bill will be based. We ought to insist upon like conditions being observed in each case.

Mr. DEAKIN (Ballarat—Minister of External Affairs) [5.16].—The intention of the Government is either to embody a proposal of the character submitted by the honorable member for Bland in the Bill, or to bring it into operation by issuing a suitable proclamation under the existing Customs Act.

Mr. WATSON.—Let us put it upon the face of the resolutions.

Mr. DEAKIN.—It cannot be put more upon their face than it will be if embodied in the Bill itself. This proposal has been foreseen from the first. The officers of the Customs Department have called attention to the difference between the treatment which would be accorded imported spirits and that to which locally-produced spirits would be subjected under these resolutions, and they have advised that the evil should be rectified either by the issue of a proclamation under the existing Customs Act, or by the insertion of a specific provision in the Bill itself.

Mr. WATSON.—If it be incorporated in the resolution it will begin to operate at once.

Mr. DUGALD THOMSON.—How does the honorable member suggest we should act in the interval which must elapse before it will be possible for foreign distillers to adjust their shipments to the operation of his proposal?

Mr. WATSON.—The spirits can be kept in bond.

Mr. DEAKIN.—I am not opposed to the main proposal of the honorable member. But until I have examined the manner in which it is proposed to be framed, I am not prepared to meet the objection which has been raised by the honorable member for North Sydney.

Mr. JOSEPH COOK.—Has the Government power to impose such a condition at any time?

Mr. DEAKIN.—Evidently, according to the recommendation of the Customs officers.

Mr. WATSON.—The sooner we stop the importation of spirits of inferior quality the better.

Mr. DEAKIN.—We are all agreed upon that point. It is only a question of the way in which we shall effect our object. I doubt whether the honorable member's proposal will be sufficient to cover the period which must necessarily intervene before the distillers in England become aware of the restriction, so that they may regulate their shipments accordingly.

Mr. HUTCHISON (Hindmarsh) [6.19].—I am glad that the honorable member for Bland has submitted this amendment. When the Minister of Trade and Customs replied to several questions which I put to him the other day, I took it for granted that he intended to take immediate steps to place outside manufacturers of spirits upon the same footing as local distillers.

Mr. DEAKIN.—That is the proposal.

Mr. HUTCHISON.—To me it is rather surprising that something in that direction was not done long since. More than two years ago I called attention to the quality of the spirits that were being imported. I pointed out that nearly all the spirits coming into the Commonwealth were being imported in bulk, also that very little case whisky was being introduced, and that the imported spirits were being sold without any real supervision being exercised over them. I stated that this was particularly the case in South Australia, where there was a conflict between the State and Commonwealth enactments in regard to the matter. I am rather surprised to learn that under the Customs Act it was possible to prevent these inferior spirits from being imported. I agree with the honorable member for Bland that we ought to incorporate in the Bill some such provision as he has outlined. We have in the past trusted too much to administration by means of regulations, which either have never been framed or have never been put into force. I do not think that it is necessary at this stage to discuss all the matters dealt with in the motion.

Mr. JOSEPH COOK.—The honorable member and his party have been preaching the doctrine of "Trust the Minister" in relation to all the legislation passed this session, and now on the question of whisky, the honorable member changes his attitude.

Mr. HUTCHISON.—Time and again I have objected to the Minister being given power to do by regulation that for which we could provide in the Bill itself.

Mr. WATSON.—The honorable member for Parramatta knows that; he is a word twister.

Mr. JOSEPH COOK.—The honorable member voted again and again for—

Mr. HUTCHISON.—I have always voted consistently, and that is more than the honorable member has done. The honorable and learned member for Bendigo mentioned that he considered a minimum

of 25 per cent. of pure grape spirit was sufficient in the case of blended brandy, but I would point out that in the old country a number of prosecutions have been instituted against persons for selling brandy that is not the pure juice of the grape. In the case of one firm which was so prosecuted, it was stated in the course of the evidence that the great firm of Gilbey always labelled brandy not derived solely from the grape as a "mixture of genuine grape brandy, and rectified British spirit." It is recognised in the old land that brandy ought really to be the pure juice of the grape. That is the contention of the representatives of South Australia. Why should we allow pure grape spirit to be adulterated to the extent of 75 per cent. with the cheapest and most inferior spirit that one can name, and sold as brandy? What hope has the manufacturer of a really genuine brandy in competition with such an adulteration? He cannot possibly live against such competition. In the case to which I have referred, an eminent legal authority gave evidence that if brandy not made of the pure juice of the grape were given to a patient, it would set up irritation, and do him injury. The authorities tell us that the ethers in brandy make it more valuable than is any other spirit. The purer the brandy, the higher the percentage of ethers, and the greater its value from a medicinal stand-point. The highest medical authorities tell us that the giving of a mixture of pure grape brandy and some other spirit, to an invalid, is likely to be dangerous. If it be dangerous to give brandy so adulterated to a sick man, it cannot be desirable to give it to a healthy individual. As we shall have another opportunity to deal with this phase of the question, I shall not, at this stage, make further reference to it, but I trust that the Government intend immediately to subject imported spirits to the same conditions as are applied to those made within Australia. The whole purpose of the inquiry by the Tariff Commission has been to seek a means to protect our existing manufacturers and to encourage others to enter the industry. There is room for great expansion in this industry, but if we deal with it in the slipshod way that has characterized our actions for some time, we shall afford it but little protection.

Mr. POYNTON (Gray) [6.26].—Whilst I agree with the honorable member for

Bland, that the same conditions should apply to imported spirits as are imposed with respect to those produced within the Commonwealth, I would point out that in the question now under consideration, something more is involved. The basic principle underlying the taxation of spirits is that since they have a deleterious effect upon those who indulge in them, and their consumption leads to increased cost in civic government, high duties should be imposed. I view this question, however, from the stand-point of revenue. Whether spirits be manufactured within or outside the Commonwealth, the effect of their use is to increase the cost of government. Looking over the returns published by the Commission, I find that there is nothing in them to warrant an increase in the import duty on spirits, and, as a matter of fact, no increase is recommended. The revenue derived from the import duty has decreased in proportion to the increase in the consumption of locally-made spirits, but, unfortunately, the cost of government has not been decreased by their use. In 1899 737,000 gallons of spirits were produced in Australia, whereas, in 1905 1,506,000 gallons were produced, the figures showing a large expansion in the local industry. On the other hand, although there was an increase of nearly 60,000 gallons in the quantity of spirits imported in 1905 as compared with the quantity introduced in 1899, the imports last year were considerably less than those of a few years ago.

Sitting suspended from 6.30 to 7.30 p.m.

Mr. POYNTON.—When we adjourned for dinner I was pointing out that, in my opinion, the proposed duty of 15s. per gallon on imported spirits would be detrimental to the revenue; and I am supported in that view by the figures presented to us by the Tariff Commission. I find that in 1899 the quantity of spirits imported was 2,504,926 gallons, while in 1905 the quantity was 2,560,813 gallons. In the growth of this industry we see the effect of the protective incidence of the duty of 14s. per gallon; and I venture to submit that if we raise the Tariff to 15s., there will be a marked falling-off in revenue. In 1901, the total imports were 3,000,096 gallons, which is much larger than the imports at the present time. It must be apparent to any one who takes an interest in these matters that the Australian distilling industry was then subject to much severer

competition from imported spirits than it is to-day. In the meantime, not because the people drink more, but as the result of increased population, local production has increased at a much greater ratio than has the consumption. As I have already stated, the only justification we have for high duties are the effects, and consequent cost in other directions, of over-indulgence in alcohol. I take it that, even from the protectionist's stand-point, not much can be said for the distilling industry as an employer of labour; because, practically, in this connexion, it stands lowest. The marked increase in the local production of spirits in New South Wales is noticeable. In that State, the increase in the period indicated has been, in round figures, 566,000 gallons, as compared with a total increase for all Australia of 749,000 gallons. In other words, the output in this industry has been doubled in six years. Some capital has been made of the fact that Messrs. Joshua Brothers have practically closed their distillery in Victoria. This occurrence has created something of a panic in the State of Victoria, and has been attributed to the Commonwealth Tariff. The official figures, however, prove, if they prove anything, that the firm mentioned have suffered not so much from the Tariff as from the breaking down of the barriers between the States, and the consequent influx of spirit from New South Wales.

Mr. FOWLER.—And Queensland.

Mr. POYNTON.—And Queensland.

Mr. FOWLER.—There is no doubt that that is responsible for the closing of Messrs. Joshua Brothers' distillery.

Mr. POYNTON.—I am now quoting from the figures which have been placed before us. I have been informed that Messrs. Joshua Brothers are large purchasers of spirits which are manufactured in New South Wales.

Mr. FOWLER.—Purchasers or agents? They may be acting as agents for the distribution of the spirits in Victoria.

Mr. POYNTON.—In closing their distillery, and attributing their action to the effect of the Commonwealth Tariff, the firm have acted very wisely from their own stand-point, as they have in that way been working up public feeling in their own State in favour of an increased duty. Personally I cannot see that there is anything to justify an increased duty. The Tariff Commission, the members of

which have gone fully into the question, recommend a duty of 14s., and in order to test the opinion of honorable members, I desire to submit an amendment reducing the duty to that figure.

The CHAIRMAN.—There is already before us an amendment which must first be disposed of. The amendment before us is to insert after the word "proof" the words "matured by storage in wood for a period of not less than two years."

Mr. POYNTON.—I am in sympathy with the amendment proposed by the honorable member for Bland, and desire to do nothing to interfere with its passing, so long as I shall have an opportunity to submit the proposal I have indicated.

Mr. FOWLER (Perth) [7.38].—I have already entered a protest against proceeding with this motion, seeing that the proposals of the Government are in a very crude and immature state. I again urge that we should proceed no further with this particular matter, in view of the fact that the Government are not able to explain whether they are prepared to introduce certain conditions into these specific arrangements for duties, whether they are going to embody them in a series of resolutions, or whether, as has been suggested by the Tariff Commission, it is intended to propose modifications of the Distillation Act, the Excise Act, and other Acts dealing with this item. I may point out that the Tariff Commission make a recommendation similar to that contained in the amendment of the honorable member for Bland, with a view to protecting the consumer against the use of immature spirits, whether locally made or imported. Our idea was that it should be dealt with apart from the specific duties. The Government should give the Committee some definite information as to the plan on which they propose to work in dealing with all the matters that are naturally included in the scope of this debate. On page 5 of the recommendations submitted by the Tariff Commission honorable members will find No. 8 to read as follows:—

That no spirits imported into the Commonwealth shall be permitted to go into human consumption within two years from the date of their first shipment, unless the Minister of Trade and Customs is satisfied that a period of two years has elapsed from the date of distillation of the same.

All these matters could be much better dealt with apart from the resolutions imposing specific duties, but if we are to have

no explanation from the Government as to the method of procedure they intend to adopt, I and others will have to support the amendment of the honorable member for Bland. I can well imagine that if we are compelled to follow this scrappy and piecemeal method right through the proposed alterations to the Tariff, we shall have produced a very remarkable document indeed by the time we are finished. I am entirely in accord with the proposal of the honorable member for Bland. It is absolutely necessary that the health of the people who use spirits should be protected in the direction indicated. There is not the least doubt that a large quantity of unwholesome immature spirit is imported into the Commonwealth. It is not strictly relevant to this question, but I must also mention that a considerable quantity of this class of spirit that comes into consumption is produced within the Commonwealth. In this matter it is the duty of Parliament to say that those who indulge in spirits shall be protected so far as is considered necessary and reasonable by authorities on the subject. There is, in this connexion, attached to the report of the Tariff Commission, a supplementary recommendation, signed by four members of the Commission, in favour of a differentiation of 1s. per gallon less than the existing Customs duty in respect of certain alcoholic liquors, admittedly of the highest quality. I should like to give the Committee an opportunity to vote upon that, but again I am in a difficulty as to where and how the Government propose to deal with such an issue. Then we have yet another issue which may probably arise, and that is the question of a preference to British goods. We have heard a great deal of preferential trade from those protectionists who have been favouring the country with their eloquence of late. I am anxious in this connexion to give those honorable gentlemen who are so loyal to the Empire an opportunity to prove their loyalty by making a differentiation in respect of spirits proved to be of British origin. Again, I ask the Government to say where that provision should be introduced; whether it should be introduced in connexion with the imposition of these specific duties, or in the way suggested in the Tariff Commission's report.

Mr. AUSTIN CHAPMAN.—Does the honorable member suggest a higher duty against foreign spirits?

Mr. Fowler.

Mr. FOWLER.—I suggest a duty which, I believe, is a right and proper one to protect the revenue under ordinary conditions, but beyond that I would give an opportunity to the Postmaster-General and other members of the Committee to show that they are prepared to make the necessary sacrifices which they have so often declared their willingness to make in connexion with goods which are entirely of British origin.

Mr. GLYNN.—But do foreign spirits compete in this market? Do we get whisky from America as well as from England?

Mr. FOWLER.—There is no doubt that a great deal of inferior whisky, so called, comes to us from outside the Empire.

Mr. ISAACS. — We prefer that the foreigner should make the sacrifice rather than ourselves.

Mr. FOWLER.—It happens, and this supports the suggestion I submit, that the better qualities of alcoholic liquors in the shape of whiskies that are imported to Australia are produced within the Empire, and those which admittedly are deleterious to health come from outside the Empire. The way is, therefore, clear for those who are prepared to adopt in this connexion the scheme of preference of which we have heard so much recently. With regard to the proposal for a duty of 15s. per gallon, I have no hesitation in saying that if it be the intention of the Government to obtain the highest amount of revenue from this source, they are going the wrong way about it.

Sir JOHN FORREST.—That is a matter of opinion.

Mr. DUGALD THOMSON. — It was the opinion of the Government when the Tariff was being discussed.

Sir JOHN FORREST. — It is not my opinion.

Mr. DUGALD THOMSON.—The right honorable gentleman was a member of the Government to which I refer.

Sir JOHN FORREST.—It was not my opinion then, nor is it now.

Mr. FOWLER.—Might I remind the right honorable gentleman that a few years ago the Government of Victoria indorsed a recommendation of a Tariff Commission that made full and searching inquiries into this question, and which was to the effect that 14s. per gallon was about as high as it was safe to go in connexion with the revenue.

Sir JOHN FORREST.—I have heard that old story before.

Mr. FOWLER.—They also pointed out that the higher duty had led to the use of a great quantity of inferior spirit. There was very little hesitation at that time on the part of the State Parliament of Victoria in accepting the recommendation that the duty should not be higher than 14s. per gallon.

Sir JOHN FORREST.—When Federation was established, the duty in two States was 15s. per gallon, and in another State 16s. per gallon.

Mr. FOWLER.—I know that in Western Australia the duty was 16s. per gallon.

Mr. GLYNN.—And the charge was 1s. per nobbler.

Sir JOHN FORREST.—Only on the gold-fields.

Mr. FOWLER.—The Treasurer will recollect that at that time the State of Western Australia was passing through a period of remarkable prosperity, and that people would put down 1s. for the same quantity of whisky as could be obtained for 6d. in the eastern States.

Sir JOHN FORREST.—Does the honorable member mean that if the duty were higher it would reduce the use of whisky here?

Mr. FOWLER.—In view of all the evidence which was submitted, and of certain evidence which was not submitted I thoroughly indorse the proposal made by the Chairman of the Commission, and approved by all its members that the duty on imported spirits should not be higher than 14s. per gallon. We may each have our own idea with regard to other items in the Commission's recommendations, some of which I intend to touch upon at the proper time, but in this particular case, in view of the evidence, the Commission was unanimously of opinion that it would be a serious mistake to levy a duty of more than 14s. per gallon on imported spirits.

Sir JOHN FORREST.—Why?

Mr. FOWLER.—First, because it would entail a loss of revenue, and second, because it would lead to the consumption of an inferior quality of spirits. In view of the evidence before honorable members, and of the experience of most of the other States, especially those which have the largest population, and in which the conditions are most nearly normal, it rests with the Government, I contend, to show

reason why the additional duty of 1s. per gallon on imported spirits should be imposed. So far, I have heard from Ministers nothing beyond a mere expression of opinion to justify the increase, and if they can give no stronger evidence than that I venture to think that honorable members would prefer the more definite expression of opinion, based upon a consideration of the evidence, from the Tariff Commission.

Mr. JOHNSON (Lang) [7.52].—This motion is on a par with all those other proposals which we have been accustomed to receive at the hands of the Minister of Trade and Customs. I think I am right in saying that during this session he has not brought down a single proposal which has given evidence of careful consideration, matured judgment, correct information, or even a clear knowledge of its character. We find ourselves to-day in a position in which we have frequently found ourselves. The Minister brought down a proposal, but before we had time to enter upon the discussion of it, he discovered that it was untenable, and therefore he intends to submit certain amendments. This has happened in the case of every measure he has submitted. I venture to say that in no other Parliament has there ever been such an exhibition of incapacity on the part of a Minister as that to which we have been treated by him on this as on previous occasions. Like all other measures with which he has been associated, the main object of this proposal is obviously to benefit Victorian industries at the expense of the other States. It is a most singular thing that a Minister representing a New South Wales constituency should always have so little regard to the interest of his own State. Whenever an opportunity is offered, he invariably brings down measures which he declares are to benefit Australian industries, but which in their operation would more largely benefit Victoria than any other State. It is plainly evident that the proposal before the Committee is made in the interests of not even Victoria as a whole, but of one firm in that State, and that is the firm of Joshua Brothers. I am credibly informed that it is the one firm in the whole of Australia which goes in largely for the adulteration of liquor.

Mr. WATSON.—Does the honorable member say that the Tariff Commission has

leaned towards Joshua Brothers? The proposal before the Committee is practically the proposal of that body.

Mr. JOHNSON.—The Minister's proposal is not that of the Tariff Commission.

Mr. WATSON.—So far as the amount of protection to be given to Joshua Brothers is concerned, it is exactly the same.

Mr. JOHNSON.—Whatever the Commission may have done, the Minister, in the interests of that firm alone, has seized the opportunity afforded by its report to come down with a proposal which, if adopted, would injure similar industries in other parts of Australia.

Mr. TUDOR.—How?

Mr. JOHNSON.—I am going to proceed to show how it would.

Mr. WATSON.—Is not the degree of protection to Joshua Brothers the same under this proposal as under the Commission's recommendation?

Mr. JOHNSON.—That has nothing to do with the point of my argument.

Mr. WATSON.—Therefore, it is the Tariff Commission which is favouring the firm, if it is favoured.

Mr. JOHNSON.—I do not care whether the Tariff Commission favours what the firm is doing or not. Had it anything to do with the Australian Industries Preservation Bill, or the Commerce Bill, or other Bills which were framed to favour Victorian manufacturers at the expense of the other States? That is what I am complaining about. We know quite well that the whole of this legislation is submitted in consequence of an agitation which has been conducted mainly by the firm of Joshua Brothers. I am credibly informed that, before the new duties were proposed, Joshua Brothers had their warehouses full of spirits which they wanted to unload on the market, but—so I am informed by local hotelkeepers—the public prefer imported spirits to those manufactured by Joshua Brothers; that, as a matter of fact, that firm's spirits are not healthful, but, on the contrary, very injurious.

Mr. WATSON.—That is not true.

Mr. JOHNSON.—I am merely stating what persons in the business have told me. I do not profess to speak from personal knowledge, because I do not take alcoholic stimulants.

Mr. WATSON.—It is not a proper thing to say. It may not be whisky or brandy, but, certainly, it is not injurious. It is

good sugar spirit from the Clarence River and that will not hurt any one.

Mr. JOHNSON.—That is a matter on which competent authorities differ in opinion.

Mr. ISAACS.—Which spirit does the honorable member recommend for medicinal purposes?

Mr. JOHNSON.—Some of the authorities declare that no spirit other than brandy made from pure grape juice should be prescribed for medicinal purposes, and that all other spirits are injurious.

Mr. WATSON.—It depends upon what the medicinal purpose is. There are two or three different kinds of spirits which may be prescribed to patients suffering from different diseases.

Mr. JOHNSON.—I shall come to that aspect of the question presently, and if I do not happen to forget it, I propose to quote what one very eminent authority has said. In these matters I prefer to take the opinion of experts to the opinions of those who have no claim to be experts. The honorable member for Bland, however, may be an expert for all I know to the contrary. Joshua Brothers is the one firm in Australia which would secure a practical monopoly as the result of this legislation. It must be remembered that, to a large extent, it is only a distributor of spirits which are manufactured in an adjoining State. All the spirit which comes to Victoria from the Colonial Sugar Refining Company in New South Wales is sold to Joshua Brothers.

Mr. BAMFORD.—Has the honorable member any evidence of that?

Mr. JOHNSON.—Yes; the evidence taken by the Tariff Commission, including that of Mr. Knox, the manager of the Colonial Sugar Refining Company.

Sir JOHN QUICK.—Mr. Joshua stated on oath that he sold that spirit on merchant's commission.

Mr. JOHNSON.—I am not prepared to accept Mr. Joshua's statements as gospel. He is the gentleman who declared that every protectionist is a liar, and, as he himself is a protectionist, I should be very careful about accepting, as reliable, assertions of that sort from his lips.

Mr. McCOLL.—He said every moderate protectionist.

Mr. JOHNSON.—I believe that he did make that qualification. I have been told that Messrs. Joshua Brothers have their stores full of spirit, and wish to obtain an advantage over importers of spirits in order

to get their goods upon the market. Their complaint that they could not get their goods upon the market was, I understand, the excuse for these proposals.

Mr. STORER.—What evidence has the honorable member for that?

Mr. JOHNSON.—I am entitled, as the honorable member or any one else would be, to base my remarks on information received. The honorable member for Bass would find it very difficult to substantiate, by an affidavit, every statement he made here. The report has been circulated that, although Messrs. Joshua Brothers asked for legislation of this kind only to enable them to put their goods on the market, and conveyed the impression that they had no intention of raising their prices, they have increased the price of one brand of whisky by 1s. a gallon, and of another by 1s. 6d. a gallon.

Mr. BAMFORD.—The Excise duty has been increased by 1s. a gallon.

Mr. JOHNSON.—The protectionists say that the duties are paid by the foreigner, but it is the consumers of Victoria who will have to pay any increase in the price of the article put on the local market by Messrs. Joshua Brothers. The firm has not given an absolute denial of the rumour; it says, in a circular—

Whereas a rumour has been circulated to the effect that we have taken advantage of recent Tariff changes to raise our prices for Australian spirits, and whereas we believe the object of this rumour is to prejudice the interests of Australian distillers in the forthcoming Parliamentary discussion, we desire it to be known—

1. That we have made no public announcement whatever on the subject.
2. That we have since the closing down of our works in 1902, been selling stocks at cost price and under (and this fact is recorded in the Tariff Commission's report); and
3. That we undertake for the future not to sell below cost price unless absolutely compelled to so liquidate.

(Signed) For Joshua Bros. Ppy. Ltd.,

J. M. JOSHUA, Director.

Sir JOHN QUICK.—Must not the firm increase its prices, seeing that the Excise duty has been raised by 1s. a gallon?

Mr. JOHNSON.—Messrs. Joshua Bros. gave it out that their desire was not to increase prices, but merely to get their goods upon the market. But what I want to know is what has become of the obliging foreigner who protectionists always tell us pays all our duties? I do not take alcoholic stimulants, and, in my opinion, it would

be a good thing if the importation and local manufacture of spirits, except for medicinal purposes, were absolutely prohibited, and those engaged in the industry employed in some undertaking which would be helpful instead of injurious to the community. The plea cannot rightly be put forward that protection must be given to the distilling industry because of the number of persons that it employs, since there are fewer hands employed in that industry than in any other in proportion to the value of the output. A little time since, I went through the Colonial Sugar Company's distillery at Pymont, Sydney. That is a very large place, fitted up with the latest and most improved appliances for the distillation of spirits, and having a very large output; but the total number of hands employed is only about a dozen. However, my wish is to deal with the probable effect of the proposed duties. In my opinion, the result of their imposition will be to give those who consume spirituous liquors a more impure and more deleterious rather than a purer and better article, and to bring down the standard of Australian production. So far as I can gather from the information supplied to me, the purest spirit made in Australia is distilled from molasses by the patent still process. It has been urged that the rectification of spirit gets rid of valuable qualities, but, on the other hand, experts say that the purest spirit is the least harmful from a toxic stand-point.

Mr. FOWLER.—That is a moot point.

Mr. JOHNSON.—There is a difference of opinion in regard to it. The weight of evidence of experts, however, amongst whom is Mr. Wilkinson, goes to show that the purer the spirit the less intoxicating are its effects.

Mr. FOWLER.—French Cognac, the finest and most expensive brandy in the world, is distilled by the oldest apparatus, which allows the natural ethers to be given over in the greatest profusion.

Mr. JOHNSON.—Would what is sold as Cognac in the average public bar be prescribed as a stimulant, in cases of sickness where pure brandy was necessary, by a medical man who had any care for his reputation?

Mr. FOWLER.—It is pure brandy.

Mr. JOHNSON.—I understand that the ordinary commercial Cognac is not pure brandy. I have been told by persons well versed in the spirit trade

that certain brandies are popular because of their palatable flavour. This flavour is due to the presence in the spirit of certain deleterious elements which are not extracted in pot-still distillation as they are in the process of rectification by the patent still processes. In the Colonial Sugar Company's distilleries the spirit is distilled above 60 degrees over-proof for the purpose of getting rid of the fusel oil and other deleterious elements.

Mr. FOWLER.—They endeavour to produce a neutral silent spirit that may be used in the manufacture of half-a-dozen different liquors.

Mr. JOHNSON.—It is proposed that no spirit shall be sold unless it has been kept in wood for two years after distillation, but nothing is to be gained by keeping highly rectified spirit in wood for any length of time after it has been distilled. As a matter of fact, all the impurities are extracted in the process of rectification. Spirit distilled at a strength of, say, 35 per cent. over-proof contains a large proportion of fusel oil and other deleterious elements which are nauseous, and that is the reason why it is kept in wood for a considerable time—for two, and sometimes three, years. I am informed, further, that the effect of keeping such spirit in the wood is not to rid it of impurities, but merely to disguise their presence, and make the spirit more palatable than it otherwise would be.

Mr. WATSON.—The honorable member should take a glass of good whisky, and then he would be able to speak with some authority.

Mr. JOHNSON.—My information has been gained from men engaged in the manufacture of spirit, who probably know more about the subject than does the honorable member for Bland—although I am quite willing to concede that he may be an expert. I thought that it would be a good thing for me to visit a distillery and find out exactly what was done.

Mr. WATSON.—Did not the odour of the spirit affect the honorable member?

Mr. JOHNSON.—No. It was pointed out to me that silent spirit has no odour until it is rubbed on the hands, and the aroma is brought out by the heat caused by friction. The provision relating to the spirit being kept for two years in wood is also made to apply to gin. Those who are best qualified to speak upon the matter tell me that gin, above all other spirits,

should be consumed as soon as possible after it has been distilled, in order that the full benefit of the juniper juice used in its manufacture may be derived by the drinker. Then with regard to rum, I may point out that the Australian product is made from silent white spirit extracted from molasses and coloured with burnt sugar. This spirit is ready for immediate consumption, and nothing is to be gained by keeping it in wood for the period proposed. If the condition sought to be imposed is insisted upon, the Colonial Sugar Company in Sydney and a number of similar establishments in Queensland will have to be closed up, or the spirits manufactured will have to be exported to Europe. Thence they will probably be brought back to Australia in the shape of popular blends of brandy or whisky. I have a copy of a letter from the South Australian Winegrowers' Association, in which attention is directed to the disabilities under which Australian wine-growers will be placed by the proposed legislation. I wish to refer to this letter to show that in order to benefit one Victorian manufacturer, it is proposed to place disabilities upon others engaged in primary industries connected with the same line of business. This letter, which was addressed to the Minister of Trade and Customs, reads as follows:—

In response to your invitation for suggestions from those interested in respect of the conclusions of the Royal Commission on Customs and Excise Tariffs, the Council of this Association, with the concurrence of the brandy distillers of this State, have the honour to address you in reference to the suggested definition of brandy, as set forth in progress report No. 2.

This definition will be found in the final paragraph of Section XXV. on page 35 of the report in question, where a serious anomaly has crept in—doubtless inadvertently—because "Appendix D" (which is quoted) is entirely at variance with that decision.

The anomaly referred to consists in this—that whereas the definition of "whisky," blended for commercial purposes, is that such blend shall consist of 25 per cent. of spirit, distilled from barley malt, and the remainder grain spirit to the exclusion of any spirit distilled from other sources, that of brandy is that such blend shall consist of 25 per cent. of true brandy, while the remainder "may be patent still spirits from any approved material. (See appendix B)."

My council feel that the trade in Australian pure grape brandy is essential to the well-being of the viticultural industry of the Commonwealth, as well as to that of this State, and that if this permission obtains, the trade already secured will be seriously prejudiced, if not destroyed.

During the last fifteen years the South Australian distillers have been building up a large trade in grape wine brandies, distilled under strict Customs supervision, and a reputation for an article of undoubted purity. This trade will be ruined in many directions if future legislation permits of a liquid, 75 per cent. of which may consist of cheap spirit produced from molasses, potatoes, grain, or maize, being foisted on the public as brandy. In this connexion it is satisfactory to notice, as a result of recent tests of spirits made in Perth by Mr. E. A. Mann, the Government Analyst of Western Australia, that all the Australian brandies examined, without exception, appeared to be of genuine character.

The importance of the brandy industry to the vine-growers of this State alone may be shown by the fact that in 1904 no less than 956,000 gallons of wine were distilled, and if this industry should be destroyed by reason of lax legislation, the value of 50,000 acres of vineyards would be seriously affected.

That is a very serious matter to these vine-growers.

Sir JOHN FORREST.—Will the condition of affairs under these proposals be worse, than it was previously?

Mr. JOHNSON.—Undoubtedly, it will; for instead of brandy being wholly made from pure grape juice only one-fourth of it will be grape juice.

Sir JOHN FORREST.—I do not think so.

Mr. JOHNSON.—The South Australian vigneron say so.

Sir JOHN FORREST.—Is the honorable member referring to the production of brandy?

Mr. JOHNSON.—Yes. The communication continues—

My association is therefore of opinion that the term "brandy" should only be allowed to apply to spirit distilled exclusively from fermented grape juice, and that, in view of the large and increasing proportion of brandy in use for medical purposes, its purity should be absolute, and still guaranteed by strict Government inspection.

In the case of all spirits imported into the Commonwealth under the name of "brandy" or "Cognac," they should be accompanied by a certificate of origin, which should guarantee that such spirit is genuine.

The council of this association desire most respectfully to draw your attention to the evidence of Mr. A. B. Holmes, of Hunter Valley Distillery, Mr. W. A. Wilkinson, of New South Wales, and also that of Senior Inspector E. P. Clarke, of South Australia, in regard to the importance of this matter.

That letter is signed by Mr. John Creswell, the secretary of the South Australian Vine-growers' Association. The proposals now under consideration will undoubtedly promote the production of a less pure spirit than has hitherto been placed upon the Australian market. Thus, instead of being

supplied with brandies made from pure grape wine spirit, we shall get brandies which contain a very large proportion of spirit which has been produced from molasses and potatoes. In other words, instead of obtaining an article which will be useful for medicinal purposes, the Government proposals will tend to destroy that portion of the industry which goes in for the distillation of pure brandy, and to promote the production of impure brandy, which contains only one-fourth or 25 per cent. of pure grape wine spirit, and three-fourths of spirit which has been distilled from molasses and potatoes and other materials. As a matter of fact, I have been informed that at the end of last week, Messrs. Joshua Brothers gave an order to the Colonial Sugar Refining Company of Sydney for 10,000 gallons of white spirit, which is to be used in the production of brandy. Messrs. Joshua Brothers' "Boomerang" brand of brandy consists of 25 per cent. of pure grape wine spirit, and 75 per cent. of spirit which is obtained from the Colonial Sugar Refining Company.

Mr. FOWLER.—According to the honorable member's theory that is the more wholesome and purer article, inasmuch as it contains a bigger proportion of silent spirit.

Mr. JOHNSON. — The spirit which under this Act will be used in the manufacture of brandy is to be distilled no higher than 35 per cent. over-proof, which is too low to allow of the effective extraction of fusel oil and other poisonous elements. I am speaking of spirit which is not distilled from the pure juice of the grape, and which is not necessary to the production of brandy.

Mr. GLYNN.—Seventy-five per cent. of the grape spirit is also silent.

Mr. JOHNSON. — But the important point is that the spirit itself is distilled from the pure juice of the grape. The other spirit is obtained from molasses. The Queensland distilleries and the distillery of the Colonial Sugar Refining Company in New South Wales only produce spirit from molasses as far as I know, I do not profess to be an expert upon this subject, but the complaint is made by vigneron, and by other persons who are engaged in the trade that the effect of these proposals will be to promote adulteration, and to discourage the production of pure grape spirit. At the present time Australian spirit has a good reputation upon the European market. The

persons to whom I have referred complain that under the Government proposals they will be placed at a disadvantage in that market, and instead of enjoying a reputation for selling only good, pure grape spirit, they will be regarded as adulterators, and will be included in the same category as persons who are engaged in some of the Chicago meat industries. In regard to what constitutes brandy, I think I may be pardoned for quoting the opinion of Dr. Henry Macnaughton-Jones, the well-known obstetrician, of Harley-street, who gave evidence in a test case which was recently heard at the North London Court. He said—

He had heard of the artificial brandy, which was derived from sources other than the grape. He would not like to surmise what would be the result if a common or artificial brandy were administered. He would not prescribe one part of Cognac and three parts of silent spirit.

In reply to the magistrate, he said—

I would not call that brandy. I would not administer a brandy that would create a burning sensation, and probably set up irritation, and a tendency to reject the intended stimulant. Pure brandy has no such tendency. It has a stimulating and sustaining effect.

If we are to engage in the liquor-producing industry in Australia we should endeavour to insure that as pure an article as possible is supplied to the public. Personally I am opposed to the liquor industry absolutely, but until we can get rid of it altogether we should endeavour to insure the least amount of injury to health in connexion with it. But if legislation of this character will have the effect of destroying the purity of the articles which are being supplied by Australian distillers, it will be mischievous in a double sense. In the first place, it will tend to destroy one set of industries for the purpose of affording protection to a single manufacturer, and in the second it will tend to still further injure—if not to absolutely destroy—the health of a great number of persons in the community.

Mr. CONROY (Werriwa) [8.31].—Nothing could be more opposed to the true spirit of parliamentary government than for a moribund Parliament—and unquestionably this Parliament may be so described—to be called upon to deal with motions relating to the Tariff that may have the effect of unsettling trade and disturbing our commercial relations with other countries, and which, in the circumstances, cannot receive that consideration to which they would otherwise be entitled.

No one will deny that this Parliament is at present on its last legs, and that the Government are, as it were, simply “sparing for wind.” The position would not be so serious as it appears if it were not that the Budget has not yet been dealt with, and that until it has, there can be no attempt to close the session. At the far end of its life of three years, this Parliament is asked to enter upon a discussion which, affecting as it does a matter of vital principle, must give rise to serious divisions of opinion. It is true that the motion before us at present relates to a very small part of the Tariff, but we have been told that another motion dealing with other manufactures, and particularly with the manufacture of harvesters, is to be brought forward. I invite the Government to say, even at this late stage, whether or not it is in consonance with any sound maxim of parliamentary government that we should now be asked to deal with this question. I say unhesitatingly that it is not. It is wrong that a party consisting of only fifteen or sixteen members, dominating another party of twenty-six or twenty-seven—

Sir JOHN FORREST.—Then we do dominate them?

Mr. CONROY.—I have never said that the party in question dominates the Government.

The TEMPORARY CHAIRMAN (Mr. MAUGER).—The honorable member is departing from the question before the Chair, which does not relate to the domination of any one.

Mr. CONROY.—If you will only listen, Mr. Chairman, you will know that I have not finished my speech.

The TEMPORARY CHAIRMAN. — Order! The honorable member must not reflect on the Chair. The question under consideration does not relate to the domination of any one.

Mr. CONROY.—I am sure, Mr. Chairman, that no one thought that my remark had any reference to the Chair.

The TEMPORARY CHAIRMAN. — The honorable and learned member must not reflect on the Chair.

Mr. CONROY.—I have already told you that I am not reflecting on the Chair. Your utterances are a reflection upon yourself.

The TEMPORARY CHAIRMAN. — Order! The honorable and learned member must withdraw that remark.

Mr. CONROY.—If the remark is offensive, I shall withdraw it, but I do not suppose that any other honorable member thought that it was offensive.

The TEMPORARY CHAIRMAN. — The honorable and learned member must proceed with his speech.

Mr. CONROY.—If I am not subjected to interruptions, I shall be likely to complete my speech much sooner than I should otherwise do. I am unable to continue while you are interrupting me. That respect to the Chair which we have to show—

The TEMPORARY CHAIRMAN. — I must request the honorable and learned member to refrain from casting any reflections whatever, and to proceed with his speech.

Mr. CONROY.—Now that this little digression is over, I wish to point out that a question of this kind ought not to be dealt with when the result of an adverse vote to the Government for the time being must be a dissolution, and more especially when we know that the rolls are not ready for an election, and that, therefore, in the event of a dissolution, Parliament, so to speak, would be hung up for the time being. We know that we ought not to be dealing with a matter of this sort at the present time. In proof of that statement, I would point out that the very Minister responsible for this motion is so concerned with the near approach of the next general election that he has gone away to his own electorate to argue matters with one who is likely to oppose him.

Mr. JOHNSON.—He always runs away from his measures, leaving the Treasurer, or the Attorney-General in charge of them.

Mr. CONROY.—I should not mind his running away if he did not leave the rest of his party so tied up that they have to carry out that which he desires.

Mr. McCAY.—Is not the Minister of Trade and Customs here?

Mr. CONROY.—He is not. The position appears to be all the more serious when we consider what will be the result of the carrying of this motion. There is only one firm of distillers in Australia; Victoria is the only State in which the manufacture of spirits has been permitted. The Temperance Party elsewhere are sufficiently strong to put an end to such an industry, but whilst in Victoria they talk about temperance, we find grand masters of the order always ready to vote for any proposal which would increase the difference between the import

and the Excise duties to such an extent as to allow of the manufacture of spirits in this State. I believe that even the honorable member for Melbourne Ports and others have taken a most active part in bringing about this big difference between the Excise and import duties.

Mr. JOSEPH COOK.—Does the honorable member think that is fair fighting?

Mr. CONROY. — I am speaking not about the Acting Chairman, as such, but about the honorable member for Melbourne Ports.

Mr. JOSEPH COOK.—But when he is in the Chair.

Mr. TUDOR.—That is hitting below the belt.

Mr. CONROY.—Can it be said that I am hitting below the belt when I point out what an honorable member does in the open—that he is endeavouring to build up a drink factory here? Surely when the votes cast by him in this House show that he is always in favour of trying to build up grog manufacturing shops—that his speeches when before temperance gatherings are not to be taken as indicative of his real feelings—he is not ashamed to have these facts stated. We have to consider, not the newspaper reports of speeches showing that he is in favour of temperance, but the votes recorded by him in this House—votes to put down temperance. The honorable member is not the only one who acts in this way. I dare say that we shall find two or three others who, as leaders of temperance leagues, strongly advocate temperance, casting votes that will have the effect of increasing the difference between the import and Excise duties to such an extent that grog manufactories must spring up. How is it that this industry did not spring up in New South Wales? Simply and solely because care was taken by temperance men, who were true to their principles, not to permit this difference between the import duty and the Excise; what these men advocated on the platform outside, they advocated in Parliament. In Victoria, however, there has been a very different state of affairs. However strongly certain men may speak in favour of temperance outside, they support this difference in duties within the walls of Parliament. The direct effect of such a policy, according to Mr. Joshua himself, would be to build up a great grog manufactory in Australia. The only reason the manufacture of drink is allowed in most countries is that it is not

known very well how to get rid of it; but with Customs duties all deleterious liquor may, by proper supervision, be debarred. As I say, under the system proposed by the Government, the only result can be to build up a great grog manufactory.

Mr. HUTCHISON.—Spirits may pass the Customs, and be adulterated afterwards.

Mr. CONROY.—If so, then the States laws come into force; and that is another argument against the Government proposal. I never was a believer in prohibition, because I believe that the secrecy and the breaking of the law which result are more injurious than would be the drink traffic under proper control. In that opinion I am fortified by those who have had experience of the prohibition States of America. At any rate, the results of prohibition have not been what was expected. If the proposals of the Government be adopted, we shall simply throw away £150,000 per annum in revenue, in order to establish a big industry in the manufacture of drink. It seems almost incredible that the Prime Minister, who has prated of temperance, should have the audacity to countenance such a proposal, more especially in view of the fact that only 5 per cent. of the cost of production is expended in wages. In every other industry, I suppose, the cost of wages in proportion to the whole is at least four or five times 5 per cent.

Mr. MAHON.—What about the farmers who grow the grain? Do they not employ labour?

Mr. CONROY.—We all know that the grain on a couple of farms would supply enough starchy materials for the whole output of spirits. Alcohol can be made out of any starchy material.

Mr. FOWLER.—A much larger proportion of spirits is made out of molasses than out of malt.

Mr. CONROY.—I quite understand that it is a matter of molasses rather than a matter of grain. Even so, we are spending between £500,000 and £600,000 in order to have white people engaged in the production of sugar, and, it follows, to encourage the production of grog from molasses. Then, again, I feel sure that the members of the Tariff Commission have not quite seen the full force of one of their recommendations. Unfortunately, it was not pointed out to them that it is possible to distil off every ether in spirits until there remains an absolute alcohol, which could not make any one drunk.

Mr. FOWLER.—Could it not? Does the honorable member say that absolute alcohol will not make any one drunk?

Mr. CONROY.—I think that, on inquiry, the honorable member will find that it is the ethers in alcohol which have the rapid effect on the brain.

Mr. GLYNN.—Then pure alcohol must be a good teetotal drink.

Mr. CONROY.—I would not say that alcohol is quite a teetotal drink.

Mr. JOSEPH COOK.—How are you to prove it?

Mr. CONROY.—I have not really looked into the matter lately; I am speaking from recollection of inquiries and reading many years ago.

Mr. TUDOR.—Tell the honorable member for Melbourne Ports that pure alcohol is not intoxicating!

Mr. CONROY.—I have no doubt that the honorable member for Melbourne Ports, if he consumed a couple of ounces of alcohol, obtained from the chemist, would walk down the street quite sober. If, however, the honorable member were given an ounce of distilled spirit, he would tumble into the gutter. All I desire to point out is that, by repeated distillation, spirits may be brought to almost any degree of purity. When a man says that he can tell whether a spirit has been distilled from this or from that, in ninety-nine cases out of a hundred he has not the faintest idea of what he is talking about. As a matter of fact, no man can tell the difference between brandy and whisky except by the amount of different flavouring matters added to the spirit. I have already adverted to the serious injury that would accrue to the community if we were to go so far as to absolutely by our legislation bring into existence a big distillery shop in Australia. We should lose that control over the liquor which we have at the present time. It would certainly pass away from the hands of the Federal Parliament into the hands of the State Parliament. This Parliament would have nothing whatever to do with it the moment it got outside the bond. In addition to that, the effect of this proposal brought forward at the present time should be considered. There is practically only one firm of distillers in Australia, and that is Joshua Brothers. They have 600,000 gallons of spirits, and the effect of the proposal giving the local article a prefer-

ence of 4s. a gallon will be to put £120,000 into their pockets. I ask whether any one believes that this Parliament should legislate in such a way as to do that.

Sir JOHN FORREST.—Is the honorable and learned member referring to brandy or to whisky?

Mr. CONROY.—All spirits.

Sir JOHN FORREST. — The difference is 3s., and not 4s.

Mr. CONROY.—Very well; I will accept the right honorable gentleman's correction, and, instead of £120,000, I will say roughly that the effect would be to put into the pockets of this firm a little over £100,000. That would be an uncommonly nice Christmas present for this Parliament to make to anybody. I believe that the Tariff Commission made a mistake when they suggested that for two years no spirits should go out of bond. As a matter of fact, processes are now adopted by which by repeated distillations the immaturity of the spirit and other faults can be entirely overcome. In addition to that, by forcing a certain amount of oxygen through the spirit it can be brought to the same condition as it would be in after being twenty years in butts. I was absolutely staggered when I heard the leader of the Labour Party express an opinion in favour of the proposal.

Mr. GLYNN.—It should apply only to the pot-still spirits.

Mr. CONROY.—Certainly, but not to the patent-still spirits. If it were to be applied to pot-still spirits I could quite understand it.

Mr. JOHNSON.—Even with a pot still all the impurities are not got rid of.

Mr. CONROY.—Of course, it does not get rid of all the vegetable impurities which are not removed by distillation.

Mr. FOWLER.—The object in distilling high-class spirits is to keep the impurities in.

Mr. CONROY.—Sometimes that is done to meet the case of people who pride themselves on their skill in detecting flavours, but their requirements can be met much more cheaply by the addition of essences.

Mr. FOWLER.—The honorable member is misled by the use of the word "impure," which is used in the strictly chemical sense.

Mr. CONROY.—The honorable member will find that it is also used in the physiological sense, because, in many cases, these ethers produce very serious effects upon the brain. That is a matter of common knowledge. I do not intend to

enter into a disquisition on such a subject just now, but I am sure that if the honorable member will look into the matter he will find that, by making age the test of purity, we are relying upon the chemistry of half a century ago instead of on the chemical knowledge of to-day. Nothing struck me with greater surprise than to find from the evidence submitted to the Commission that three or four men who undoubtedly knew the facts, and who, if asked the question, would have given the information, never voluntarily supplied the members of the Commission with the information they had. As a matter of fact, they neglected to give the information because none of them were asked questions which would have elicited it. That is why that evidence was not before the Commission.

Mr. FOWLER.—If the honorable member says that, he has not read the evidence. Those points were brought out time and again.

Mr. CONROY.—The Tariff Commission acted on the evidence before them, and could not act on evidence that was not before them. I do not say it offensively, but the members of the Commission did not pretend to be chemists, and to possess expert knowledge of ethyl alcohols.

Mr. JOHNSON.—Mr. Wilkinson, the analyst, says—

So far as scientific knowledge goes, the substances removed in rectification of spirits are more injurious than alcohol itself.

Mr. CONROY.—I make this point: that at the present time this Parliament is asked to assent to a measure which will place in the hands of one distiller a direct profit of from £100,000 to £125,000. That should be done, if done at all, not by men who will escape punishment because they are going to be rejected by their constituents, but by a House just returned from the people with a mandate to carry out certain things. There is no escape from the fact that we are being asked to make Joshua Brothers a direct present of the amount stated. I estimated the amount at £120,000, being 600,000 gallons at 4s. per gallon. I have accepted the Treasurer's correction that it should be estimated at 3s. per gallon, but I think that it might have been estimated at 4s. per gallon on the class of spirits which Joshua Brothers have. In any case, the amount would be over £100,000, and it is a monstrous thing that such a proposal should be

made. It is almost beyond the bounds of credibility that any Parliament could be so far dead to a sense of what is due to it as to accept a measure brought forward, as this has been, by a Minister who runs away on the very first night on which it is before the House. I have no desire to say unkind and nasty things, but, undoubtedly, it would be very much to the interests of the one firm of distillers to have such a proposal agreed to by this Parliament. And further, the proposal has not been considered as it should have been. The only member of the Government who seems to be responsible for it is the Minister who has run away from the discussion to-night. We have had the Prime Minister getting up and showing how little he knows about it. He told us that the Minister in charge of it had gone away to consider it, but we find that he has actually gone away to discover how the vote of his electors are likely to go at the next election. We are in this dangerous position: that if the honorable gentleman finds out that the votes of the electors of his constituency are likely to be against him he will not care what he does in this House, how he pledges his constituents, or how he brings the Ministry into disrepute and contempt. There is no doubt that they will be brought into disrepute and contempt if this proposal is carried through.

Sir JOHN FORREST.—Is the honorable and learned member referring to the Tariff Commission or the Government?

Mr. CONROY. — To the Government, who are bringing the measure forward. Are not the members of the Government responsible for their own acts? Do they think so little about what they do that they put forward this proposal in a light-hearted way? If this moribund House were to accept a proposal which would encourage the creation of a big manufacturing whisky distillery, and so on, it would not be studying the interests of the community. When we find, moreover, that it would be done at a cost of about £150,000, to be extracted from the pockets of other citizens, the proposal is seen to be still more reprehensible. When we find, further, that it would have the effect of putting between £100,000 and £120,000 into the pockets of one set of individuals, then it becomes tinged with suspicion, and we cannot but see that it is the last step which the Parliament ought to take. I cast no reflection upon the big distiller who

wishes to carry on his business in that way. If the Excise duty and the import duty were exactly the same, I would have no more objection to him than I would to any other citizen carrying on the business. In fact, if I had to make a choice between the two, provided that the quality was the same, I should accept the local article as against the imported article, merely because my prejudice—I do not say my reason—happened to run in that way. If this Parliament adopted such a proposal then, so far from blaming the particular firm to whom it had made a large grant, I should wish that I had even one-half of the money. It must be perfectly understood that we make no reflection upon the members of this firm—I do not think I have ever seen them—in their private capacity as citizens. It is only when a man comes along and says, "I am entitled to some help as against other citizens" that I object. The moment he says to me, "I ought to have some privileges which are not accorded to others," I object. The moment he says, "You have a right to guarantee me the interest on my money," I say, "If that is so, other citizens have a right to get guaranteed work. If you make any profit it shall be distributed amongst the other citizens." Other citizens, if they have the power, have the right to take from him in exactly the same measure as he would take from them if he had the power. I so strongly object to any one citizen or class of citizens being fostered at the expense of any other class that I oppose this proposal *in toto*. There is another matter, of course, to be considered, and that is, that the high duty proposed would lead to a serious loss of revenue. If that loss were to bring about a diminution of drinking, I should perhaps not object. But when the decrease of revenue would not bring about a decrease of drinking, but would establish grog factories, of which, as his votes seem to show, the honorable member for Melbourne Ports seems to be so much in favour, it is an entirely reprehensible proposal. We ought not to be asked to depart from the principle which we established when we fixed the difference between the import duty and the Excise duty at such a rate that we practically said, "We shall have all the grog that is sent into consumption under our control." Of course, we lose control of the grog immediately the duty has been paid; but there are a hundred-and-one different

ways of getting over that difficulty. When the grog is imported, the quantity in the cask can be gauged, and the amount to be paid can be estimated. But if it were distilled here we should never be able to estimate or discover what the leakage was. Moreover, it would be the means of training scores of men in the art of distilling, and it would encourage in other ways the growth of sly-grog shops throughout Australia. Because if the industry were profitable those trained men would want to start on their own account. I trust that the honorable member for Melbourne Ports now perceives the dangerous position in which he has placed himself; that he will recognise that this is not a matter to jest over, and that if he really believes in those principles of temperance which he has so often advocated on the platform, he will take care by his vote not to set them aside. During the last four or five years we have had a fairly large difference between the import duty and the Excise duty—too large a difference in my opinion—and no explanation can gloss over the fact that the proposal of the Government, if adopted, would increase the difference so greatly that it would practically bring into existence places for the manufacture of grog, and grog only. If its acceptance would be attended with that result, then it is a departure from previous legislation. Under any circumstances—good or bad—the very last House to deal with a question of this sort where the direct result would be to put so much money into the hands of individuals, and to create a big grog shop is one which is in the last hours of its existence. If, in the last session of a Parliament, we were to pass such proposals we should never know where we were, and the danger would be that in every succeeding Parliament, just as happened in America, when men thought that they were not going to present themselves for re-election, or believed that they were likely to be defeated, they would vote for any measure, however dishonest it might be, which happened to be brought forward. The acceptance of the proposal before the Committee would, in my opinion, seriously jeopardize the standing which this Parliament has obtained in the eyes of the community. It would be impossible to explain to the people—in fact, nobody could explain why it had agreed to put £100,000 into the pockets of one firm of distillers.

Mr. MAHON.—That is not correct.

Mr. CONROY.—I assure the honorable member that if he looks at the figures he will find that 500,000 gallons of spirits—

Mr. MAHON.—How much of that was distilled before Federation, when the Excise duty was more?

Mr. CONROY.—That I cannot say.

Mr. MAHON.—That is very important.

Mr. CONROY.—It is not, because I am only contending that the direct effect of the acceptance of this proposal would be to give an added value of between 3s. and 4s. per gallon.

Mr. MAHON.—Not at all. There is a difference of 1s. now.

Mr. CONROY.—If the honorable member looks at the figures he will see that he has made a mistake, and that the proposal, if accepted, would make a difference of between 3s. and 4s. per gallon.

Sir JOHN FORREST.—Or what?

Mr. CONROY.—On pretty nearly all the spirits in the distillery of Joshua Brothers.

Sir JOHN FORREST.—It is 3s. on brandy.

Mr. CONROY.—How much brandy is there in the distillery? Very little! For the reason I have already given, I put it at £100,000; 4s. would have made it £125,000. Honorable members cannot get away from the fact that, if the Committee passes the motions which have been moved, the direct result will be a difference of £100,000 in the value of those spirits. I am glad to have had the opportunity to draw attention to the danger of doing anything like this. Honorable members may talk as they like, but will not the inference be drawn by sensible persons that these men were able to arrange with one or two of the managers of Parliament to have passed a measure which should not be passed? Their success will lead to attempts at the subornation of honorable members. In my opinion, we should hesitate about passing these proposals in the very last session of the Parliament, and, no doubt, only shortly before the political end of several of us. The Minister who brought them forward does not dare to defend them. He has run away from them, unable to meet the charges which have been levelled against him. The members of the Labour Party are in a very peculiar position. The more they examine these proposals, the more reason must they find for suspicion. But, while they may

attempt to justify them to their constituents, I shall not do likewise, because I do not believe that they are founded on justice, or that they will lead to the sobriety of the people.

Mr. POYNTON.—How does the honorable and learned member's boss stand in regard to this question?

Mr. CONROY.—I speak entirely for myself. No one, I presume, would attempt to exercise control over me in regard to this matter. Whatever my opinions may be, I am free to utter them. I can speak as I think. I am not a member of a caucus, to be forced to vote one way, although I think another.

Mr. DUGALD THOMSON (North Sydney) [9.15].—The action of the Minister in respect to this matter is extraordinary. The Minister of Trade and Customs, in moving a motion affecting the duty on harvesters, intimated that the Government had not made up its mind as to accepting, whether with or without amendment, the proposals of the Tariff Commission. That was a perfectly legitimate statement, seeing that he asked for the imposition of the duty recommended by a section of the Commission merely to protect the revenue. The Government did not commit itself to the proposal when brought forward, but promised further consideration, and, if necessary, amendment. But the honorable gentleman told us that, having given consideration to the recommendations of the Commission in regard to alterations of the spirit duties, the Ministry had decided to introduce proposals which differed from those of the Commission. He did not say, "Accept the Commission's recommendation until we have had an opportunity to consider the matter." He said, "We have considered them, and do not approve of them. We therefore ask you to accept different proposals, which we put forward." This afternoon, however, he told us that it is likely that further proposals, at any rate in regard to Excise, will be introduced, but that he wishes time to consider this question at greater length. We are entitled to something more than mere proposals. We should have some guarantee of the correctness and accuracy of the conclusions of the Ministry.

Mr. FOWLER.—We are entitled to some complete scheme, because one proposal hangs on another.

Sir JOHN QUICK.—Hear, hear.

Mr. DUGALD THOMSON.—That is so. Ministers, if they differ from the recommendation of a Commission on whose report they are acting should give their reasons.

Sir JOHN FORREST.—Practically we do not differ.

Mr. DUGALD THOMSON.—I shall show directly that there is a very material difference between the proposals of the Government and the recommendations of the Commission. Ministers should lay before Parliament the reasons which have induced them to cast aside the recommendations of the Commission and to adopt other proposals.

Sir JOHN FORREST.—The reasons have been given, but honorable members will not take notice of them.

Mr. DUGALD THOMSON.—I have not heard reasons given. It is not sufficient to say, "This or that will happen, we think. There will be a loss of revenue, we think." The Committee should be informed of the facts upon which their calculations are based.

Mr. McCAY.—They have treated the matter as if it were merely one of arithmetic.

Sir JOHN QUICK.—They have not given the data on which their calculations are based.

Mr. DUGALD THOMSON.—An arithmetical sum may be correctly worked, but the deductions will be wrong if the premises are at fault.

Sir JOHN FORREST.—We have good advice.

Mr. DUGALD THOMSON.—The Ministry have good advice within call.

Sir JOHN FORREST.—We have used it.

Mr. DUGALD THOMSON.—The Minister may have used it in deciding to introduce one set of proposals, but to-day he told us that in all probability he will substitute for them an altogether different set.

Mr. JOSEPH COOK.—Who has given this advice?

Sir JOHN QUICK.—Some clerks in the office.

Sir JOHN FORREST.—The advice was given by officers who know more than some honorable members.

Mr. DUGALD THOMSON.—The Minister told us that he had taken advice before submitting his proposals, and he professed to regard the advice as reliable. But why does he now tell us that he will

probably alter the proposals founded upon that advice? I may say, in passing, that it is very objectionable to have to deal with first one Minister and then another in connexion with a measure. I realize that sometimes a Minister cannot help being called away from the House, but the Minister of Customs is continuously away when measures of which he is supposed to be in charge are before Parliament.

Mr. JOSEPH COOK.—He is away electioneering.

Mr. HUTCHISON.—The honorable member's leader is to blame for that.

Mr. JOSEPH COOK.—My leader is not paid £2,000 per annum to look after the public business.

Mr. DUGALD THOMSON.—The Minister of Trade and Customs introduces measures, and when the most difficult and delicate stage is reached, he suddenly disappears. In connexion with three or four measures this session, we have had to deal first with one Minister and then with another.

Mr. McCAY.—In this case, he has left the matter with some one who understands it.

Mr. DUGALD THOMSON.—That may be. I hope that the Treasurer will demonstrate it. Then, again, it is rather extraordinary that we should be asked to delay our decision until the Minister of Trade and Customs has had time to consider certain matters which are likely to cause him to alter his opinion, and that then the Minister should go right away, and apparently abandon all consideration of the question. With regard to distillation generally, I am rather in favour of the policy of New Zealand, which has abandoned local distillation. It was recognised that the amount of labour employed in the industry was exceedingly small, and that not one penny more was paid for agricultural produce in consequence of local distillers carrying on business. The prices of products such as wheat and barley were ruled by the rates prevailing in outside markets, which were equivalent to those offered for grain for local distillation purposes. It was realized further, that imported spirits were the source of such a large amount of revenue that it was not desirable to interfere with them, and it was also felt that the extra revenue that might be obtained from the duties on imported spirits, were there no distillation, could be applied in such a

manner as to confer greater advantage upon the community than would be derived from the small amount of employment that might be afforded by the distilling industry. I regard the matter in very much the same light, but I do not propose to go deeply into it now, because I recognise that we are dealing with a proposal to increase the import duties, and that the question to which I have been referring is connected more directly with the Excise duties. The Minister of Trade and Customs claimed that if the import duties were increased by 1s. per gallon, no loss of revenue would result. He pointed out that under his present proposals—we do not know what they will be eventually—there will be the same difference between the Excise and import duties as under the proposals of the Commission.

Mr. McCAY.—The Government do not themselves know what shape the proposals will eventually take; they wish to obtain a few hints as to what honorable members desire.

Mr. DUGALD THOMSON.—It looks very much like that. The Government are, in effect, saying to honorable members, "Gentlemen, tell us your opinions, and we shall decide when we have ascertained the feeling of the majority." The Minister of Trade and Customs maintains that the proposed increased import duties would not result in any reduction of the revenue. I would point out, however, that if the increased import duty lead to a larger consumption of locally manufactured spirit, there must be a loss of revenue. Although, under the Minister's proposal, the same proportion is preserved between import and Excise duties as under the recommendation of the Tariff Commission, the latter stops short at the present level, so far as the import duties are concerned. Apparently, the Commission considered that if they increased the duties upon imported spirits, a reduction of the revenue would ensue. The Minister's conclusion cannot be supported, because the increase of the import duties to 15s. per gallon may so reduce the profit of those who sell spirits, and who say that they are now very heavily handicapped, and have gone as far as they can, that there will be a far heavier run upon locally produced spirit. Consequently, the revenue might be much more reduced under the Minister's proposal than under that of the Commission. I admit that it is difficult to arrive at a conclusion in this connexion;

but I would point out that The right honorable member for Balaclava, who was one of the most reliable Treasurers that Victoria ever had, did not, after his experience of the 15s. per gallon duty that was levied in Victoria, share the opinion of the Minister of Trade and Customs. Although the revenue did not increase when the duty was reduced to 12s., it maintained about the same level.

Mr. HUME COOK.—The honorable member must recollect that the times were very bad.

Mr. DUGALD THOMSON.—That may have had something to do with the result. I have looked at the figures, and I find that, although under the 12s. per gallon duty the revenue did not increase, there must have been a larger consumption of imported spirits, because the revenue was maintained at practically the same level.

Sir JOHN FORREST.—The Victorian duties were increased by 25 per cent.—from 12 per cent. to 15 per cent.

Mr. DUGALD THOMSON.—Then the duties were reduced from 15s. to 12s., and I am speaking of the period that followed the reduction. Although the figures in my possession do not show that a much larger revenue was produced by the duty of 12s. per gallon, they do show that there must have been a larger consumption of imported spirits, otherwise the 12s. per gallon duty could not have produced practically the same amount of revenue as was collected under the 15s. per gallon rate.

Sir JOHN FORREST.—We propose an increase of only 7 per cent.

Mr. DUGALD THOMSON.—It is not the increased consumption that we have to consider, but how far the Government can absorb the profit to an extent which can be withstood by those engaged in the trade. If it be absorbed we may be sure that they will not cease to sell spirit, but that they will be forced to sell a cheaper article. That would have the effect of reducing the revenue, even if Excise were paid upon it. The Barton Government, of which several members of the present Ministry were members, deliberately resisted a proposal to increase the duty upon imported spirits to 15s. per gallon. The reason which they urged for their action, was that such a high duty must lead to a reduced consumption of imported spirits, and consequently to loss of revenue. The present Government have abandoned the position which was taken up by a previous Administration, of which a

number of Ministers were members. Now I come to the Tariff Commission. I feel very disinclined to dissent from the decision of that body, which has taken a vast amount of evidence all over Australia, and which has given the matter the fullest and most careful consideration. In this connexion we must recollect that the Commission was composed of members of opposite fiscal views, and, seeing that they have arrived at a unanimous decision, I am reluctant to disturb their recommendations. I recognise that upon that Commission were members who would give full attention to the possible financial effect of their recommendations, as well as to other considerations. I realize also that they were not of one way of thinking fiscally, and consequently were not all biased in one direction. It is evident from their reports, too, that they had the health and well-being of the community in mind when they were framing their recommendations. Under these circumstances—unless the Minister can show that the Commission was absolutely wrong, and that he is right—I am very reluctant to depart from its finding.

Sir JOHN FORREST. — The members of the Commission were not bound to take into consideration the effect of their recommendations upon the revenue.

Mr. DUGALD THOMSON.—I am perfectly sure that they did take that matter into consideration.

Sir JOHN FORREST.—It ought to have been included in their commission, but it was not.

Mr. DUGALD THOMSON.—Does the Treasurer mean to tell me that sensible members of this House who were appointed to the Tariff Commission simply dealt with the matter as children would deal with it, and not as experienced members of Parliament? Does he mean to imply that they said, "We will do this and that," without considering the effect of their recommendations upon the revenue?

Mr. FISHER.—I do not think that it was any part of their duty to consider it.

Mr. DUGALD THOMSON.—If the honorable member had been appointed to a Commission of that character, would he—when it was dealing with matters affecting the finances of the States and the Commonwealth—have absolutely failed to take into consideration the effect of its recommendations upon the revenue?

Mr. FISHER.—I think that I should always have been looking to that, but I say that the matter was not delegated to the members of the Commission.

Mr. DUGALD THOMSON.—Would not the honorable member himself have taken it into consideration?

Mr. FISHER.—I think that I would.

Mr. DUGALD THOMSON.—Certainly he would. I give the same credit to those honorable members of this Committee who were members of the Tariff Commission. Other members of that body might not have deemed it necessary to give the matter the same amount of consideration, but I am perfectly certain that those who have to deal with our Estimates and with our Ways and Means made no recommendation without first considering what would be its effect upon the revenue. The honorable and learned member for Bendigo has shown by his speech to-day, that that aspect of the question was considered. I should now like to say a few words in reference to the amendment of the honorable member for Bland regarding the Customs duties upon imported spirits. I fear that he submitted his amendment with too little consideration, and that if it be enforced at once a most serious position will arise. He practically proposes that no spirits shall be admitted into the Commonwealth unless they have been matured in wood for two years. It is really ridiculous to spring a surprise of that sort upon a trade which Parliament has had under its control for years. If the amendment were adopted, what would happen? A quantity of spirits are now in bond—not in wood, but in bottle. A large quantity are upon the sea in bottle, and a large quantity have been ordered in bottle. How can these spirits be matured in wood for two years? The Prime Minister, I think, will recognise the difficulty to which I refer. If he sees any difference between my reading of the amendment and his own, he might inform me of it. My reading of the proposal of the honorable member for Bland is that spirits must be matured in wood for two years before they are permitted to pay the import duty. How can such a proposal be applied to bottled spirit which is in bond, or upon the sea, or which has already been ordered?

Mr. DEAKIN.—That is merely a temporary difficulty. It will only continue for two years.

Mr. DUGALD THOMSON.—I am pointing out that the amendment of the honorable member for Bland, if enforced immediately, would create most serious anomalies, and bring about a most improper state of things.

Mr. DEAKIN.—I called attention to that matter when I addressed the Committee. I am now asking the honorable member if he can foresee any difficulty after the period of two years has elapsed?

Mr. DUGALD THOMSON.—I do not see any difficulty in giving effect to the proposal then.

Mr. GLYNN.—Or if it is necessary?

Mr. DUGALD THOMSON.—Or necessary. I shall refer to that in regard to rectified spirits at a later stage. In the absence of proper notice, the proposal of the honorable member for Bland would practically lead to the confiscation of the spirits to which I have referred. In reply to an interjection which I made whilst the honorable member was speaking, he stated that the spirits to which I have alluded could be kept in bond for two years. Has the honorable member any idea of the cost of keeping anything, and especially volatile articles such as spirits—which diminish by evaporation—in bond for two years? The cost would be so exceedingly heavy as to amount practically to the confiscation of a large proportion of the goods from people who had done no wrong, but who, on the contrary, had been importing their spirits for years under a different Government system, and surely ought to receive due notice before any alteration in that system is made.

Mr. JOSEPH COOK.—Why should they any more than the implement manufacturers, receive notice of an increase of duty?

Mr. DUGALD THOMSON.—I am referring only to notice of the departure from what has hitherto been the practice. An attempt is to be made to cause importers to do that which is impossible, by providing that spirits shall have been matured in wood for two years before duty is paid upon them. Spirits might come out in cases and might have been matured for four or five years, but no satisfactory evidence of that could be given to the Department, and consequently a great deal of their value would be forfeited.

Mr. FISHER.—There would be no intention to do that.

Mr. DUGALD THOMSON.—The honorable member for Bland replied, in

answer to an interjection, that the spirits could be kept in wood in bond for two years.

Mr. FISHER.—Rubbish ! Did the honorable member mean to say that they should be taken out of the bottles and put into wood ?

Mr. DUGALD THOMSON.—I do not know. But as I have said, the keeping of spirits in bond for two years would be a very costly proceeding, and, before we required that to be done, we should give due notice to those concerned. Another reason why we should be very careful in adopting this proposal, both in regard to spirits that are the subject of import and of Excise duties, is that if it were at once rigidly enforced, the revenue would go down very rapidly, since there would not be sufficient spirit available which could be shown to have been matured in wood two years.

Mr. HUME COOK.—There is such spirit.

Mr. DUGALD THOMSON.—I do not know of any quantity.

Mr. HUME COOK.—There are 600,000 gallons.

Mr. DUGALD THOMSON.—What are 600,000 gallons as compared with our annual consumption.

Mr. HUME COOK. — But the figures I have mentioned relate to only one firm.

Mr. DUGALD THOMSON.—That may be, but the other spirit to which reference has been made is not that which is generally consumed.

Mr. FISHER.—A chemical would be used to produce on the spirit the same effect as that which maturing in bond for two years would have.

Mr. DUGALD THOMSON.—But the Minister would not allow such a chemical to be used. We need to look at this proposal very carefully, and to consider whence we should obtain the stock necessary to supply the wants of the community. If proof were at once required that all spirit, whether Australian or imported, had been in wood for two years, that proof would not be forthcoming.

Sir JOHN QUICK.—Does the honorable member think that notice ought to be given of the proposed two years' limitation ?

Mr. DUGALD THOMSON.—If the change is made, notice ought to be given so as to avoid complications which would be improperly injurious to those who have been engaged in this business for some years.

Sir JOHN QUICK.—I think it was intended by the Commission that notice should be given.

Mr. DUGALD THOMSON. — I am referring to the proposal of the honorable member for Bland, that the motion should be amended by the insertion of a provision that spirits shall have been in wood for two years before duty is paid.

Sir JOHN QUICK.—I understand that he made that proposal because the Government were not prepared with a definite proposition.

Mr. DUGALD THOMSON. — We are awaiting definite proposals by the Government.

Mr. DEAKIN.—In what respect ?

Mr. DUGALD THOMSON.—In regard to both the import and Excise duties. Whatever may be the intentions of the honorable member for Bland, his amendment, in the bald form in which it is proposed, would practically be wrongfully injurious to a large number of traders. It would almost be impossible to carry it out without largely stopping the supply of spirits, and consequently reducing the revenue to a very serious extent.

Mr. FISHER.—Provided that notice were given, the proposal would be no innovation from the stand-point of a Customs Department.

Mr. DUGALD THOMSON.—Quite so. There is another point worthy of consideration. I do not profess to know whether rectified spirit is more wholesome than is a spirit containing ethers ; but it has been stated by scientific men of high standing that the former, whether it be worse or better than that produced from the pot-still, does not improve by maturing.

Mr. DEAKIN.—That, in fact, it does not mature.

Mr. DUGALD THOMSON. — That is so. I saw a communication addressed to the honorable and learned member for Angas, which he has, perhaps, put before the Committee, and in which it is stated that rectified spirit actually deteriorates by being kept. I know nothing as to the correctness of that statement ; but, according to high scientific authorities, a rectified spirit cannot be further matured. On the other hand, it is said that the maturing of spirit containing ethers is necessary, since it would be injurious if used soon after leaving the pot-still.

Mr. FOWLER.—In commerce there is no absolutely rectified spirit. It is an exceedingly difficult matter even for chemists to get an absolutely rectified spirit.

Mr. DUGALD THOMSON.—I am not putting any dogmas before the Committee.

Mr. FOWLER.—The so-called rectified spirit is only partially rectified.

Mr. GLYNN.—Otherwise there would be no flavour.

Mr. DUGALD THOMSON.—Flavours are often introduced to satisfy the wants of the man who desires brandy or whisky. High scientific authorities say that, whether the effect of rectified spirit, as compared with pot-still spirit, be ill or good, it does not improve by maturing.

Mr. FOWLER.—Practical experience contradicts that.

Mr. DUGALD THOMSON.—I cannot say anything in regard to that point, but Ministers, who have the departmental experts to advise them, should consider the question, and decide whether each of these spirits should be treated in the same way. I have already said that I prefer the duty of 14s. proposed by the Tariff Commission to the duty of 15s. proposed by the Ministry. I have that preference largely because I am informed, by the best authorities I can consult—including the honorable member for Balaclava, some members of the Barton Ministry who refused to raise the duty when asked to do so, and also the Tariff Commission—that a duty of 14s. is more favorable as regards revenue than 15s., and will lead to a less use of, I shall not say inferior spirit, but, at any rate, of the cheaper spirit, which has not realized the same revenue as has the imported article.

Mr. BATCHELOR (Boothby) [9.51].—I cannot help feeling that the Government appear to be treating this business in a somewhat slipshod manner. When we are dealing with Tariff reform, surely we are entitled to the presence of the Minister of Trade and Customs, if it is at all possible for him to be here. The difficulty is that, in the absence of the Minister for Trade and Customs, we are not able to get definite proposals from the Government.

Mr. DEAKIN.—We are discussing a definite proposal now.

Mr. BATCHELOR.—That may be so, but I am not quite sure about it, so far as concerns anything I have heard this afternoon from the Government. Are we to take it that this duty of 15s. is a definite proposal?

Mr. DEAKIN.—Yes.

Mr. BATCHELOR.—That clears away a difficulty; but I think that we are entitled to have some data as to what the effect such a duty may have on the revenue. We should not be left to mere guess-work.

Mr. DEAKIN.—I can give the honorable member the information.

Mr. BATCHELOR.—And I think we ought to have it. What is the use of our having an abstract discussion?

Mr. DEAKIN.—We are now discussing the amendment of the honorable member for Bland.

Mr. DUGALD THOMSON.—We are discussing the whole question.

Mr. BATCHELOR.—The amendment of the honorable member for Bland is scarcely being discussed at all; the main discussion is on the question of whether there should be an increase of the duty from 14s. to 15s.

Mr. DEAKIN.—But the amendment of the honorable member for Bland comes first.

Mr. BATCHELOR.—The Prime Minister must admit that the amendment of the honorable member for Bland has not been discussed, but that, on the contrary, there has been a general discussion.

Sir JOHN QUICK.—The question was about to be put when the honorable member for Bland submitted his amendment.

Mr. FISHER.—There is something in that. I think the honorable member for Bland may withdraw his amendment.

Mr. BATCHELOR.—Before we are asked to vote we ought to have some definite information.

Mr. DEAKIN.—Certainly, and I am waiting to give it; but we have to vote on the other question first.

The CHAIRMAN.—I may point out that when proposals of this nature are submitted in Committee of Ways and Means, the usual custom is to have a general discussion on the first item, and afterwards to deal with special items. That custom has been followed; but the amendment by the honorable member for Bland was submitted just when the question was about to be put.

Mr. DEAKIN.—That terminated the general discussion.

The CHAIRMAN.—Not necessarily, because the amendment is so wrapped up with the general question.

Mr. JOSEPH COOK.—All the proposals are linked together.

Mr. BATCHELOR.—That is exactly the position which, as I point out, the Committee are in, namely, that we are discussing the general question on the first item. But the fact that we are discussing the question of whether the duty shall be 14s. or 15s. does not remove from the Government the obligation to lay before us information to enable us to realize what the result of a certain duty may be.

Mr. FOWLER.—The Government have not yet reached finality about their own proposals.

Mr. BATCHELOR.—As to the Excise, we cannot have a general discussion until the Government come to some decision.

Mr. FOWLER. — The whole scheme of duties hangs together.

Mr. BATCHELOR.—No doubt.

Mr. MCCAY.—If the Excise duties are changed, the Government will have to change the figures they present to us now.

Mr. BATCHELOR.—There must be some data to enable us to come to a decision. In South Australia, for instance, until the uniform Tariff, the duty on spirits was 15s., and since then, for the last four or five years, it has been 14s.

Mr. TUDOR.—What was the Excise?

Mr. DEAKIN.—The Customs duty was 15s., and the Excise duty of 9s. 4d., a difference of 5s. 8d.

Mr. JOSEPH COOK.—Was there much revenue in South Australia from imported spirits?

Mr. BATCHELOR.—I cannot say off-hand what was the effect of lowering the duty and raising the Excise in South Australia. That is one of the matters in regard to which the Government should furnish information.

Mr. GLYNN.—The result was to stop the manufacture of whisky.

Mr. BATCHELOR.—But it seems that in the wine industry there has been a considerable increase. Whether that is due to the alteration of duties, is a matter of opinion; and I do not feel disposed to enter into a general discussion until we have some data before us, and the Government submit definite proposals.

Mr. DEAKIN (Ballarat—Minister of External Affairs) [9.57].—We are unwittingly, it appears to me, drifting into a complex position. We were discussing, first of all, the general proposal to impose a duty of 15s. instead of a duty of 14s. Apparently, that discussion was closed, for the question was about to be put when

the honorable member for Bland, assuming the general discussion to have terminated, or, at all events, in the exercise of his undoubted right, submitted his amendment. That amendment must be disposed of before we can reach the question whether or not a duty of 15s. shall be imposed. I think it will be admitted that the question whether the duty shall be 14s. or 15s. or 13s. has nothing to do with this proposal as to the time which shall be allowed for the maturing of imported spirits, in order that the same restrictions may be imposed in this connexion as are intended by the Tariff Commission, and by the Government to apply to spirit manufactured in Australia.

Mr. KELLY.—The Chairman has allowed a general discussion.

Mr. DEAKIN.—And, perhaps, quite rightly. But, at the same time, when I am asked to enter into the question of revenue, while we are confronted with the amendment of the honorable member for Bland, it appears to me that we shall only increase rather than diminish the confusion. We should not turn to the revenue phase before we have disposed of that amendment.

Mr. JOSEPH COOK.—There is only one resolution before us.

Mr. DEAKIN.—But there is an amendment.

Mr. JOSEPH COOK.—That amendment need not diminish the discussion in any way.

Mr. DEAKIN.—It ought to.

Mr. JOSEPH COOK.—Certainly not.

Mr. DEAKIN.—When I use the word "ought" I mean if we adopt the best and quickest method of transacting our business.

Mr. JOSEPH COOK.—The Prime Minister told us that one part of the discussion was closing before the amendment was proposed.

Mr. DEAKIN.—And so it was; then we came on this new line of rails. I ask the Committee to deal with the amendment of the honorable member for Bland at once. If honorable members turn to the report of the Tariff Commission they will find that the eighth recommendation is as follows:—

That no spirits imported into the Commonwealth shall be permitted to go into human consumption within two years from the date of their first shipment, unless the Minister of Trade and Customs be satisfied that a period of two years has elapsed from the date of distillation of the same.

That is the recommendation of the Tariff Commission, and if the honorable member

for Bland can see his way to put his amendment in that form, which is the form proposed to be adopted in the Bill, I shall be perfectly prepared to accept it here. We could then dispose of this question. I admit that it would be necessary to follow that up with some interim proposal to cover spirit already shipped. I have had some consultation with the officers of the Department, but in the meantime, in order that we may deal with one thing at a time, if the honorable member for Bland accepts for his amendment the form suggested by the Tariff Commission, we can dispose of it, get face to face with the vital question as to whether the duty should be 15s. or 14s., and concentrate our attention upon that. That will meet the wishes of the honorable member for Boothby that we should deal with one point at a time, especially as the current discussion is quite foreign to the question of revenue or the amount of duty to be imposed.

Mr. BATCHELOR.—So long as we know what we are dealing with.

Mr. DEAKIN.—Just so. I understand that the honorable member for Bland consents to move his amendment in the form suggested?

Mr. WATSON.—Yes, I have no objection to do that.

Mr. JOSEPH COOK (Parramatta) [10.2].—That will not deal with the difficulty.

Mr. DEAKIN.—It will deal with one of the difficulties, and if we get one out of the way we shall have less to deal with.

Mr. JOSEPH COOK.—It will not overcome the whole of one of the difficulties raised. There is still the question of spirits on order or on the water to be considered.

Mr. DEAKIN.—The officers propose that we should make provision for that in the Customs Bill which has already been drafted.

Mr. JOSEPH COOK. — Why touch the matter here at all if it can be dealt with in the Bill? I should think that that is the proper place in which to deal with it.

Mr. WATSON.—If it is wrong to poison people at all, why should we poison them to-day.

Mr. JOSEPH COOK.—That is not the question. The honorable member's proposal will do nothing to rid them of the poison. The question is whether a practice which has continued now for some

years shall continue until due notice is given to those interested.

Mr. WATSON.—In other words, we should let them bring in as much as they like for another year or two.

Mr. JOSEPH COOK.—Surely it is a matter of fair play.

Mr. WATSON.—Does the honorable member propose to do the same with regard to the Excise?

Mr. JOSEPH COOK.—There is no analogy between the two cases.

Mr. WATSON.—They could keep it in bond here.

Mr. JOSEPH COOK.—When we are imposing new, and in some respects severe, conditions, the least we can do is to give those interested due notice. I suppose that nobody desires to deal harshly with people. After we have made their occupation legitimate no one wishes to abruptly deprive them of anything they are already in the enjoyment of, except in a fair and proper way. The honorable member for Bland had better leave this matter to be dealt with in the Bill to which reference has been made. I should like again to appeal to the Prime Minister to allow the whole question to stand over until to-morrow, when I understand he has in contemplation the bringing down of some amending proposal.

Mr. DEAKIN.—If there are any to be brought down then?

Mr. JOSEPH COOK.—The Minister of Trade and Customs indicated to-day very clearly that there would be some amendments.

Mr. DEAKIN.—There is only one of importance, affecting the Excise; the other is, I think, a verbal amendment.

Mr. JOSEPH COOK.—The amendment suggested with respect to the relation of the blended article to the pure article is, I should think, an amendment of prime significance.

Mr. DEAKIN.—Let us dispose of the amendment of the honorable member for Bland, as amended, and then we can adjourn.

Mr. JOSEPH COOK.—I do not object to that.

Mr. GLYNN (South Australia) [10.5].—Assuming that we do carry some amendment on the lines suggested by the honorable member for Bland, of course it is right that it should only be made operative after a period of two years to get over the difficulty referred to by the honorable member

for North Sydney, and also to the difficulty we will have to face in connexion with blended brandy and whisky. If we adopt this amendment as affecting imports, we must retain it also as regards the Excise provisions, which prescribe, not only that pot-still, but rectified, spirit must be matured for two years. Is it clear that we should make that provision in regard to rectified spirit at all? If the amendment of the honorable member for Bland be carried, it will apply, not only to pot-still whisky or brandy, which requires maturation in order to eliminate certain volatile oils, which in the pot-still process pass over into the distillate, but it will also apply to rectified spirit, the rectification of which is supposed to get rid of those oils, so far as they can be got rid of, for commercial purposes, and to secure a silent spirit, which, of course, is never really secured in the sense in which it is regarded by chemists. The morning after these resolutions were introduced, it was pointed out to me that there was not in all Australia a rectified spirit two years old.

Mr. DEAKIN.—The honorable and learned member is not dealing with the amendment now.

Mr. GLYNN.—I am.

Mr. DEAKIN.—As referring to imports?

Mr. GLYNN.—The honorable member for Bland is not withdrawing his amendment, but is amending it, so that its application will be postponed for two years. I understand that that is the amendment which is now before the Chair.

Mr. DEAKIN.—No.

Mr. GLYNN.—I understand that the amendment is to be withdrawn on the promise of the Prime Minister to deal with it in a Bill under which its application will be postponed for a period of two years.

Mr. DEAKIN.—No. The proposal now is to adopt recommendation No. 8 of the Tariff Commission, under which no spirit imported is to be permitted to go into consumption for two years from the date of the first shipment, unless the Minister is satisfied that two years have elapsed from the date of distillation.

The CHAIRMAN.—The question now before the Committee is: That after the word "proof," the words "matured by storage in wood for a period of not less than two years" be inserted.

Mr. GLYNN.—It is with that amendment I am dealing, and at the same time with the suggestion that it should be

amended in a certain direction to secure the application of that principle after a period of two years has elapsed. The effect of the amendment will be that before a spirit is put on the market for consumption, whether it be pot-still spirit or a blend of whisky, brandy, gin, or anything else, it must have matured for two years. The application of the principle is not to come into effect until after a period of two years has elapsed, and whether from the date of shipment, or the passing of the resolutions does not matter. A strong opinion has been expressed to me, not only by letter, but also personally by men who seem to know their business, to the effect that it is not necessary to mature anything except the 25 per cent. element, and that rectified spirit does not improve, and in some cases really deteriorates, by keeping. I am informed that gin actually deteriorates by being kept in wood, because it absorbs some of the tannic acid from the wood, and is also discoloured by it. For that reason, in South Australia they do not keep gin in wood, but in some sort of metal tanks. I have no wish to trespass on the time of honorable members by reading a letter on this point from a man who can speak with authority, seeing that he has been engaged in the distillation of brandy, whisky, and liqueurs for many years, and whose testimony is borne out by Excise officers. I have tested this matter, not merely by the information of persons who might seem to be interested, but of officials connected with the Government, and they bear out what is stated by my correspondent. I shall read a short extract from the letter, as it puts the matter very clearly.

Mr. DEAKIN.—That relates to the Excise.

Mr. GLYNN.—To the provision in the Excise as regards maturing for two years, and on the point that that provision should apply only to pot-still spirits.

Mr. DEAKIN.—We are not on that point.

Mr. GLYNN.—I beg the Prime Minister's pardon. As a complement of what we are proposing to do now we must retain the provision already in the Excise portion.

Mr. DEAKIN.—We are not bound to retain it as applied to rectified spirit if we are satisfied as to the wisdom of the

opinion the honorable and learned member is about to quote.

Mr. GLYNN.—I propose to quote an extract which bears upon this particular matter. I understand that the honorable member for 'Bland very properly desired that whatever provision we make regarding Excise should be imposed upon the importation of spirit. The writer of this letter says—

The present Tariff regulations prescribe that such rectified spirit shall be at least two years old, but as there is no spirit of such age obtainable in the Commonwealth, and as very few distillers have blended more than six months ahead, it can be seen at once that the sale of pure South Australian grape brandy has been stopped.

The object of ageing spirits has a clear and distinct reason. When spirits are distilled on the pot still from either wine or malt, various volatile oils are passed over into the distillate. During the period of maturation in wood these oils are gradually oxidized and converted into fragrant ethers. The spirituous portion itself, we desire to emphasize, does not materially change during that period. Attempts have been made at various times to place on the market a pure pot still brandy, but owing to the excessive quantity of ethers it is distinctly unpalatable, and has had to be withdrawn. In order to make the flavour of the brandy more harmonious it is blended with certain proportions of pure rectified grape spirit in the manner already indicated.

It is an indisputable scientific fact that a highly rectified grape spirit does not change or alter its chemical properties by ageing, and we believe we are correct in saying that it has not been deemed necessary by the authorities of other countries to make this proviso in their regulations.

The South Australian distillers are unanimous in their opinion that pot still spirit should be aged in wood for a period of two years before entering into consumption, but they are also strongly of opinion that no possible benefit could be derived from applying this proviso to rectified spirit.

We have ourselves been manufacturers of liqueurs and bitters for over fifty years, and as a matter of fact Seppeltsfield has been built up on the foundations laid down by these two lines.

Pure rectified grape spirit enters very largely into their manufacture, and the two years' proviso has, we are afraid, also effectively stopped this branch of industry.

Under the old tariff we were able to clear our spirit at 11s. per proof gallon, but unless such spirit is now two years old it will have to pay a duty of 40s. per proof gallon, which of course is out of the question, more so as similar imported goods will be able to enter at 15s. per proof gallon, and put the local product out of the market.

Pure neutral rectified spirit is a regular article of commerce. It is largely used by druggists, and has moreover a widespread application. To store such spirit for a period of two years in

wood completely discolours it, and as a considerable quantity of tannic acid is absorbed it becomes useless for such purposes.

That is the effect of the letter, and it is written by a man who ought to speak with authority on this question.

Mr. DAVID THOMSON. — Who is the writer?

Mr. GLYNN.—Mr. Seppelt, who, I suppose, has one of the best distilleries in the Commonwealth.

Mr. DAVID THOMSON.—Why did he not give evidence?

Sir JOHN QUICK.—He did not give evidence.

Mr. GLYNN.—The Commission professed to act upon a letter from his firm, which is an appendix to the evidence.

Sir JOHN QUICK.—Yes, a letter, but not evidence.

Mr. GLYNN.—The letter was misunderstood and misapplied by the Commission. We are told by some honorable members that we must "bolt" the recommendations of the Tariff Commission without examination. What are we here for except to apply our best judgment to the recommendations? If we are to "bolt" them whole, we had better go home.

Mr. BRUCE SMITH (Parkes) [10.15]. —Notwithstanding what the honorable member for Angas has said about some honorable members wishing the Committee to "bolt" the recommendations of the Tariff Commission whole, I think it is to be deplored that it has allowed itself to drift into the present desultory discussion. I do not think that honorable members fully realize where we are. We have just listened to a most complete treatise on the chemistry of distillation, and the honorable member who has made that contribution seems to me to have lost sight of the fact that to-night the Committee is taking a step which may aim a serious blow at Royal Commissions in the future. Honorable members are talking of the Tariff Commission as if it were simply a Select Committee of the House, forgetful of the fact that the question which is being discussed, and into which I do not intend to enter, because I am not competent to discuss its merits, is really one on which the Commission has been sitting for over fifteen months. Why did the House require this and other questions to be referred, not to a Select Committee, but to a Commission composed of men who were supposed to have time and inclination to make a deep study of the questions involved, in the light

of an enormous mass of evidence which was to be brought forward?

Mr. GLYNN.—The same thing applies to the Tobacco Monopoly Commission.

Mr. BRUCE SMITH.—Well, I should apply the same answer. The members of the Tariff Commission sat for over fifteen months; they sacrificed their personal convenience, and listened to volumes of evidence from all sides; and the Committee appears to attach so little importance to the judicial aspect of their report that it is now proceeding to drift into a debate on one of the very questions which the Commission has settled. And on what testimony is it being asked to upset those conclusions? On the one-sided testimony of a number of discontented people who had their chance of submitting all the facts, which, if submitted, were duly considered. The Minister puts the Committee in a most humiliating position. When he came forward, what did he say? With very little ceremony—which I think should have received some notice from the Prime Minister—he moved a motion which involved a stultification of the conclusions at which the Commission had arrived. He actually said that his proposals were at the present time in an undecided form, but he would like the Committee to “thresh them out.” For what reason? Presumably that he might ascertain what it thought before he put his proposal into a definite form.

Mr. WEBSTER.—Not at all.

Mr. BRUCE SMITH.—The honorable member must be absolutely wanting in knowledge of dignity and the rules of Parliament to say such a thing. What is a Royal Commission for?

Mr. WEBSTER.—Dignity!

Mr. BRUCE SMITH.—I am not going to discuss the matter with the honorable member. Let him make a speech after I have done.

Mr. WEBSTER.—Do not talk of dignity, then.

Mr. BRUCE SMITH.—What is a Royal Commission for?

Mr. WEBSTER.—Dignity!

Mr. BRUCE SMITH.—I am not dealing with honorable members with as little knowledge of the subject as the honorable member on my left.

Mr. WEBSTER.—We are talking on a practical subject, not dignity.

The CHAIRMAN.—Order!

Mr. BRUCE SMITH.—We are dealing with a dignified body, consisting of eight

men who were specially appointed by the Crown from both parties, because they were supposed to be capable and impartial.

Mr. WEBSTER.—They are seldom here to show their capability.

Mr. BRUCE SMITH.—I ask your protection, sir, because the honorable member's voice is more like a fog horn, and makes it impossible for me to proceed.

Mr. WEBSTER.—And the honorable member's is like a steam whistle.

The CHAIRMAN.—Order! I have already called the honorable member to order, and he ought to respect the direction of the Chair.

Mr. BRUCE SMITH.—I do not hope to impress the honorable member; I address myself to those who have had political experience, and recognise with me the great importance of this situation. I am much disappointed that the Prime Minister has shown so little appreciation of the seriousness of the situation as to fail to make a statement of his reasons for departing from the traditions and practices of Parliaments. I do not say that if a Royal Commission makes a demonstrable blunder, obvious to all, its recommendation should be accepted, but when a Royal Commission has been appointed by the Crown to examine difficult and complex questions, to take evidence on all sides, on oath, and bring up an impartial finding, its conclusions should not be treated in the haphazard and cavalier way in which the Minister for Trade and Customs has dealt with the conclusions of the Tariff Commission. He had not a resolution ready to place before the Committee, and, when it was pointed out to him that we were being called upon to debate something which had not been put into the form of a definite issue, he said, “Well, I should like honorable members to thresh the matter out,” presumably to give him an inkling as to the opinions of the majority, so that he may act accordingly, and so that the Government may float with the tide, instead, possibly, of struggling against it. I do not hesitate to say that if I were in the position of the honorable and learned member for Bendigo as Chairman of the Royal Commission, I should throw up my commission, because of the contempt with which he and his colleagues have been treated by the Government. What evidence has the Minister resorted to to show that the Commission misunderstood this question? I received today, as I suppose every other honorable

member did, a copy of a letter addressed to the Minister of Trade and Customs by the South Australian Wine Growers' Association, beginning—

In response to your invitation for suggestions from those interested in respect to the conclusions of the Royal Commission.

Those words reveal the existence of a highly reprehensible state of things. After a Royal Commission appointed by the Crown has fully inquired into this subject, the Minister of Trade and Customs—as late as the 24th July last—invited interested persons to criticise its findings.

Mr. WATSON.—Why should he not do so?

Mr. BRUCE SMITH.—Surely, the honorable member, if he had been Prime Minister, would not have allowed his Minister of Trade and Customs to invite interested persons to put before the Ministry *ex parte* statements.

Mr. WATSON.—Can we have too much light on this subject?

Mr. BRUCE SMITH.—We can have it at the wrong time. The Commission has dealt judicially with an immense mass of evidence given on oath, and it is not only unfair, but an insult, to the Commission to put aside their conclusions because of *ex parte* and unsworn statements of persons who probably gave evidence which was considered of less weight than evidence in support of a contrary view. In its far-reaching consequences the want of appreciation of the dignity of the Commission shown by the Prime Minister and the Government may be a very serious matter. If I, or any other honorable member, were now asked to sit upon a Commission, what would be the obvious answer? Would it not be said, "I might give my time, and sacrifice my personal interests, for fifteen months, or more, and, having arrived at sound judicial conclusions in regard to an immense body of evidence, might then find that a Minister had invited interested parties, who were disappointed with the findings of the Commission, to send in objections, and on them would be ready to set aside the Commission's recommendations?"

Mr. TUDOR.—That is what we thought in regard to the Shipping Commission.

Mr. BRUCE SMITH.—There was a great difference of opinion among the members of the Shipping Commission in regard to almost every point. But the Government wish us to set aside the unanimous recommendations of the Tariff Commis-

sioners, who, protectionists and free-traders alike, arrived at certain conclusions.

Mr. POYNTON.—Are we to assume that the Commissioners were infallible?

Mr. BRUCE SMITH.—No.

Mr. POYNTON.—The honorable and learned member practically said so.

Mr. BRUCE SMITH.—I have not said so, nor is that inference to be drawn from any sentence I have uttered. What I say is that it would be impossible for honorable members to deal with, in a night or in a week, the evidence which the Commission took on oath from persons of all shades of opinion, and in regard to which they made unanimous recommendations. The Minister proposes to set aside these recommendations because of the statement of persons who are admittedly interested, and who gave evidence before the Commission. It is as if, after the parties had stated their respective cases on oath in a Court of law, and the jury had given its verdict, one of them had said to the Judge, "I want you to hear me again, with a view to upset the verdict, because I am dissatisfied with it." I hope that the members of the Commission will take the step which I have suggested, so that the country may realize the seriousness of what is being done. If I were one of them, I should throw up my commission at once, and not file another report. If the Government had a true sense of the constitutional importance of the situation it would refuse to allow the Minister of Trade and Customs to practically tout for objections from interested parties against the conclusions of the Commission, and would accept the recommendations of the body which they were practically the means of appointing, and which has made practically a judicial examination of the whole subject.

Mr. FISHER (Wide Bay) [10.30].—The advice offered to the members of the Commission by the honorable and learned member for Parkes is no doubt very good, from his point of view; but it must be remembered that a Commission may do many things that do not come within the scope of its functions. I can find nothing in the shape of an instruction to the Commissioners that they were to take upon themselves the responsibility of the Executive with regard to the probable effect of their recommendations upon the revenue.

Mr. BRUCE SMITH.—Why did not the Government point that out?

Mr. FISHER.—I am endeavouring to indicate the scope of the functions which devolved upon the Commission. In my opinion, the members of a Royal Commission are no more competent to decide matters of importance than are any body of members in this House.

Mr. BRUCE SMITH.—They hear all the evidence adduced on both sides.

Mr. FISHER.—I wish to give the members of the Commission every credit for having undertaken to perform an important public duty at great inconvenience, and perhaps some expense, to themselves. It is well, however, to remember that one of the ablest of British Prime Ministers stated that when the Government were in a corner, the proper thing for them to do was to appoint a Commission. It was in such an emergency that the Tariff Commission was appointed. The members of that body have worked hard, and have no doubt done their duty to the country faithfully and well, but that has nothing to do with the point to which I wish to direct attention. The commission reads as follows:—

Whereas it has been represented that the operation of the Customs Tariff of the Commonwealth of Australia has been injurious to certain industries: Know Ye that we do, by these our Letters Patent, appoint you to be Commissioners to inquire into the effect upon Australian industries of the said Tariff, and into the working of the said Tariff generally.

There is nothing in that to indicate that the Commissioners are to inquire into the effect of their recommendations upon the revenue.

Mr. FOWLER.—The whole commission relates to the revenue incidentally.

Mr. FISHER.—The honorable member is not quite correct in saying that. The Commissioners were instructed to inquire into the effect of the Tariff upon Australian industries, and into the working of the Tariff generally.

Mr. BRUCE SMITH.—Then the Government should have set the report aside as being *ultra vires*.

Mr. FISHER.—I contend that the Commissioners should not take umbrage at the modification of their recommendations by Ministers who have considerations of revenue to bear in mind. I am sure that not a member of this Committee would say that any recommendation of the Commission, even though the result might be to preserve a certain industry, should be agreed to if it would involve a loss of revenue which we could not afford to incur.

Mr. McWILLIAMS.—Does not the honorable member think that the Commission should really consider the effect upon the revenue of any alteration proposed by them?

Mr. FISHER.—If I had been a member of the Commission, I venture to say that I should have given some attention to that matter; but I contend that the Commissioners have no power to go beyond the powers conferred upon them by the terms of their commission. If it had been intended that the Commission should consider the effect of their proposals upon the revenue, that fact should have been clearly set forth in the reference to the Commission. I am not complaining of the action of the Commissioners, nor can I blame the Government for taking up the position that they cannot afford to lose the amount of revenue that would have to be surrendered if the recommendations of the Commission were adopted. But I agree with the honorable and learned member for Parkes that the Government should have laid before honorable members such facts and figures as would have afforded justification for the action they have taken. On the other hand, I think that if it is demonstrated to the Commissioners that their recommendations, however excellent, would, if carried out, result in a loss of revenue which the Commonwealth could not afford to incur, they should not object to their proposals being modified. The fact that a man is appointed as a member of a Commission does not add to his intelligence or to his ability to conduct public affairs.

Mr. JOSEPH COOK.—It adds to his power and his opportunities; that is the main point.

Mr. FISHER.—I do not think that any member of the Commission would set himself up as superior to the heads of the public Departments. After all, Ministers have to fall back upon the heads of public Departments for expert advice in matters affecting their administration. I have no desire to cast any reflection upon the members of the Commission.

Mr. JOSEPH COOK.—After belittling them for a quarter of an hour.

Mr. FISHER.—No such idea occurred to me. The Government have not vouchsafed to honorable members the information which should have been afforded as to their reasons for departing from the recommendations of the Commission, and I trust that they will realize that they cannot deal with

important matters such as that now before us, in a haphazard way. They should submit the fullest information, and afford honorable members every opportunity to arrive at a conclusion that would be in the best interests of the country.

Mr. WATSON (Bland) [10.40].—The honorable and learned member for Parkes has, to my mind, advanced rather a novel idea in respect of the work of Royal Commissions. I do not know whether he intended to go so far, but the plain inference to be drawn from his statement was that we must accept *holus bolus* the decisions of Royal Commissions.

Mr. BRUCE SMITH.—I repudiated that idea.

Mr. WATSON.—I can draw no other conclusion from the statements of the honorable and learned member. If he did not mean that, it seems to me that his speech was merely a beating of the air. I have as keen an appreciation of the work of the Tariff Commission as has any honorable member. I recognise that the gentlemen comprising that body have made a great number of sacrifices in performing the immense work which they have accomplished. But the value of their labours consists in a very large measure in the information which they have been able to put before the public through the evidence which has been tendered, and does not rest entirely upon the conclusions at which they have arrived. That is so in regard to all Royal Commissions. Their main object is to get information, and while I confess that much may occasionally be learned from the demeanour of witnesses—and that therefore the Commissioners are best able to judge of the conclusions which should be drawn from the testimony of witnesses—still it does not follow that they are right in every case.

Mr. BRUCE SMITH.—But the point of view of the consumers has to be considered.

Mr. WATSON.—The Commission have considered this question from every point of view. But I refuse to believe that they have come to an accurate decision in every instance. In my view it is utterly ridiculous to extend almost the same measure of protection to blended spirits as it is proposed to extend to spirits which are made from pure grape wine.

Mr. BRUCE SMITH.—Does the honorable member approve of the Minister inviting

interested parties to give evidence to him after they have given their testimony to the Tariff Commission?

Mr. WATSON.—I see absolutely no harm in such a procedure. Anything which is done in the light of day in the way of inviting those who are interested in conclusions which may affect their businesses to a large extent, cannot possibly injure the State.

Mr. JOSEPH COOK.—Whilst there is a Ministerial tribunal in existence? The Government appointed the Tariff Commission specially to hear that evidence.

Mr. WATSON.—But that tribunal has concluded its labours so far as the question of the duties upon spirits is concerned. It has reported, and consequently has ceased to have any further responsibility. The witnesses had no opportunity of commenting upon the conclusions of the Commission until they were invited to do so. The recommendation to which I have referred is in itself a sufficient justification for further inquiries being made.

Mr. JOSEPH COOK.—By whom?

Mr. WATSON.—By the Minister.

Mr. JOSEPH COOK.—But the Tariff Commission is still in existence.

Mr. WATSON.—It has finally dealt with this particular matter. The honorable member seems to be oblivious of that fact. When once the Commission has reported, its members have nothing further to do with this question. The honorable and learned member for Bendigo, as Chairman of the Commission, stated in reply to a gentleman who wished to give further evidence in regard to its conclusions that the matter had now passed out of the hands of that body. The small distinction which has been made between the duty upon brandy produced from grape spirit, and that upon blended brandy is in itself an evidence that the Commission has not sufficiently appreciated the difference between the cost of the materials from which these two classes of spirits are distilled.

Mr. FOWLER.—The Commission—besides the revenue aspect of the question—took other matters into consideration, and has proposed to give a Commonwealth guarantee of the purity of spirits. Surely that is worth a good deal.

Mr. WATSON.—It is; but it does not happen to touch the particular point to

which I am addressing myself. The Commission recommend that a protection of 4s. per gallon shall be granted to pure brandy, and of 3s. per gallon to blended brandy. The difference between the cost of the materials from which these two classes of spirit are made is so great that the margin between the two rates of duty is, to my mind, insufficient. No doubt, it is a matter upon which there is room for a legitimate difference of opinion.

Sir JOHN QUICK.—The honorable and learned member for Angas has introduced evidence which was not given before the Tariff Commission.

Mr. WATSON.—I regret to say that I was not able to follow the remarks of the honorable and learned member for Angas as closely as they deserved to be followed. In deference to the suggestion of the Prime Minister, I wish to withdraw my amendment, and to substitute for it a proposal in terms more nearly in consonance with the report of the Tariff Commission. My only reason for submitting the original amendment was that there seemed to be no indication—at that stage of the proceedings—of a desire to impose any condition in regard to the age of imported spirits.

Mr. FISHER.—The Opposition was satisfied, I suppose.

Mr. JOSEPH COOK.—We were relying upon the statement of the Minister of Trade and Customs that he would bring down a set of amendments to-morrow.

Mr. WATSON.—Nobody seemed inclined to rise when I did, and I submitted the amendment with a view to securing something tangible.

Mr. PRUCE SMITH.—The resolution has not yet been put by the Minister in its final form.

Mr. WATSON.—That remark applies only to the Excise duties. The Minister has given no intimation that he intends to alter the import duties. I ask leave to withdraw my amendment.

Amendment, by leave, withdrawn.

Amendment (by Mr. WATSON) proposed—

That after the word "proof," line 16, the words "and when more than two years shall have elapsed, either from the date of their first shipment or from the date of their distillation" be inserted.

Mr. DEAKIN. — That is practically the phraseology of the Tariff Commission's recommendation.

Mr. FOWLER (Perth) [10.50].—Although I have no desire to be heard too

frequently upon this matter, so much has been said regarding the unfortunate Tariff Commission that I am justified in making a few observations in reply. If many members of that Commission had followed their natural inclinations, they would have resigned from it long ago. Probably that would have suited a good many honorable members. Speaking for myself, and, I believe, for many other members of the Commission, I may say that we realized that we had been appointed to perform an important and necessary duty. We realized that an experimental Tariff had been in existence in the Commonwealth for a few years, and that it was highly desirable that an inquiry of a thoroughly exhaustive nature should be made into its effect. Recognising this, I accepted a position on the Commission, and, in spite of the blackguardly attacks made upon it outside the House, I made up my mind that I would see the work through. That I am determined to do, regardless of what transpires, either inside or outside the House, in the nature of attacks upon the Commission and its work. The honorable and learned member for Parkes has come to the rescue of the Commission in a way that I, for one, fully appreciate. Although this debate has been in progress for only a few hours, I have heard an insinuation of something very like corruption against the Commission, and I have also heard insinuations of ignorance and incompetence against its members. One cannot help wondering what will be the outcome if this sort of thing is to continue. Probably we shall find the members of the Commission with armoured cars and machine guns to protect them from the outraged opinions of their colleagues in the Chamber. Be that as it may, if the Committee will exercise only a little patience, and listen to what the members of the Commission may have to say in response to Ministerial proposals, we shall be able to fully justify any recommendations that we have made. We are in the unfortunate position of having little or nothing to which to reply; we are in the position of having to prove practically a negative. It is the duty of the Government, who bring down modifications of our proposals, to show the reasons for those modifications, and, in the absence of such reasons, members of the Commission are naturally handicapped in dealing with this matter.

Mr. FISHER.—And so is every other honorable member.

Mr. FOWLER. — Undoubtedly; but since the Commission is being put on its defence in this House, this difficulty applies in a greater degree to its members. The honorable and learned member for Parkes referred very properly to the methods of the Minister in obtaining information from sources other than those that were open to the Commission. The honorable member for Wide Bay has also pointed out that it is the duty of Ministers to obtain all information possible with respect to the question of revenue—a phase of this question which could be touched upon only incidentally by the Commission. I agree with that, but I wish to point out that quotations have been made in this Chamber from letters which have apparently influenced the Minister, letters from individuals who had opportunities to give evidence before the Commission, but refrained from doing so. I am going to state why they did not come before us. It is much easier for these people to address to honorable members letters containing more or less mystifying and incorrect statements than to go before a Commission, which will put them on their oath, and make them responsible for their statements. We have had a good deal of technical instruction from members of the Committee regarding pure and impure spirits, and as to what constitutes genuine brandy, and that which is not genuine.

Mr. HUTCHISON.—The teetotallers seem to know most about the question.

Mr. FOWLER.—That is so. I am of opinion that it would have been much better for those who talk about genuine brandy to have said nothing in that connexion, so far as the proposals of the Commission are concerned. Those who make genuine Australian brandy are perhaps in a better position, under the recommendation of the Commission, than they will be when the full and fierce light of discussion is thrown on their situation in common with that of the manufacturers of other classes of spirit. We have been told that it is not fair, for instance, to put blended brandy in competition with that which is not blended. A great deal of emphasis has been laid upon the quality of the so-called pure Australian brandies. We have been told that much of the spirit required for the fortification of those brandies is highly rectified. Why is that so? The honorable member who gave us that infor-

mation omitted to tell the Committee that it was necessary to rectify the fortifying spirit since it is largely produced from "off" or unsound wine, and that it has to be rectified in order to avoid the deleterious effect of the sources of its origin. Then again, it is suggested that the brandy which Australia produces from the grape is the finest that can be made anywhere. I make bold to say that there is not a single gallon of Australian brandy distilled according to the methods of that district of France in which the purest and most perfect kinds of brandy are produced; that the method of manufacture is more or less defective, and that if we are going to insist on a genuine brandy, we shall have to provide, first of all, that no "off" or damaged wine shall be used in its production, and that secondly, the proper method of distillation shall be observed. That method is to employ the old-fashioned pot-still similar to that used in the Charente district of France, for producing the highest quality of brandy. If those two points were observed; it might be well worth our while to consider the suggestions of those who wish to protect more completely than at present brandy made from the pure juice of the grape. But until that is done, I would suggest to those who are asking for more consideration for Australian brandy that they should ask themselves whether it is worth while insisting on conditions which necessarily will have to be amplified if our brandies are to be of the perfect kind indicated by several honorable members. We have been told by honorable members that highly rectified spirit does not require to be kept in order to mature. But one gentleman interested in distillation by the patent still process—I refer to Mr. Joshua—expressed the opinion, when before the Commission, that even that class of spirit required to be matured; he advocated that it should be kept in bond for not less than two years. That is the evidence of a gentleman interested in the production of this particular class of spirit. It is undoubtedly a very technical and abstract matter.

Progress reported.

GOVERNOR-GENERAL'S RESIDENCES BILL.

Assent reported.

House adjourned at 11.1 p.m.

Senate.

Wednesday, 15 August, 1906.

The PRESIDENT took the chair at 2.30 p.m., and read prayers.

CAMP AT ALBURY.

Senator PEARCE.—I desire to ask the Minister of Defence, without notice, whether, if he intends to proceed with the scheme of holding a combined camp of Federal troops at Albury, as announced in the press to-day, he will take into consideration the advisability of giving facilities for troops from Western Australia and Tasmania to attend, and also inquire whether the steam-ship companies will be prepared to give special travelling facilities to such troops?

Senator PLAYFORD. — My attention was called to this matter when I first became Minister of Defence, but it has not been brought under my notice since that time. Certainly it has not been under my consideration of late. In the press I have seen a notice to the effect that a camp would be held at Albury, but I am not responsible for what appears in the newspapers. When I looked into the proposal twelve months ago, I found that the suggestion had been made to previous Ministers, but that the cost was prohibitive, and that therefore the idea could not be considered.

COMMERCE ACT: REGULATIONS.

Senator MACFARLANE.—I desire to ask the Minister of Defence, without notice, whether he can inform the Senate of any promise made by the Minister of Trade and Customs to alter the regulations under the Commerce Act, which were recently laid upon the table?

Senator PLAYFORD. — No. All I know is that my honorable colleague told me that the regulations I laid upon the table were open to revision, and that he anticipated that some alterations would be made in them.

GOVERNOR-GENERAL'S RESIDENCES BILL.

Assent reported.

NAVAL RESERVE: SOUTH AUSTRALIA.

Senator GUTHRIE. — I desire to ask the Minister of Defence, without notice, if he has yet received a report as to dissatis-

faction existing amongst Class B of the Naval Reserve of South Australia.

Senator PLAYFORD.—I have received a report, which I have communicated to the honorable senator. I anticipated that by this time it would have been in his hands.

BORDER CUSTOMS HOUSES.

Senator PULSFORD asked the Minister of Defence, *upon notice*—

Referring to the emphatic statement made on Thursday by the Minister of Defence to the effect that all Border Customs Houses had been abolished, how does he explain the fact that the Estimates for the current year provide for the employment of eleven officers and the expenditure of £2,680 expressly for the up-keep of Border Customs Houses?

Senator PLAYFORD.—The answer to the honorable senator's question is as follows:—

These are not Border Customs Houses in the sense they were so called before Federation. The officers at these places simply deal with imported goods which are transferred under bond, and collect statistics. They should be styled inland Customs Houses, as they have no reference to border Customs. The old term was merely continued as a matter of convenience.

AUSTRALIAN INDUSTRIES PRESERVATION BILL.

SECOND READING.

Debate resumed from 10th August (*vide* page 2667), on motion by Senator PLAYFORD.

That the Bill be now read a second time.

Senator BEST (Victoria) [2.38].—I think that the Senate is indebted to Senators Symon, Millen, and Gould for their drastic criticism of the Bill and the searching analyses to which they subjected its provisions, to say nothing of its indebtedness to Senator McGregor for his vigorous defence of it. I had not the privilege of being present whilst he was speaking, but I learn that such was the case. If the interpretation which my honorable friends on this side choose to put upon certain provisions were justified, then the Senate would have but one duty to perform, and that would be to reject the measure. Since the adjournment on Friday, I have had the opportunity of devoting a few hours to the study of its provisions, and I must confess that I see nothing which would justify such doleful apprehensions of disaster as my three honorable friends saw fit to express. The fundamental principle of the Bill is self-defence, and its object is to insure fair competition in trade. A

sum of £700,000 a year is annually spent in preparing to defend our shores against aggression. We recognise as a first principle at all times that if we want to avoid aggression we must prepare for war. So it is in the industrial sphere. We have built up some valuable and important industries mainly, if not wholly, by the fostering influence of a system of protection. To show their extent, I shall quote a few figures which have been supplied to me by Mr. Drake, the Government Statist showing the average number of hands employed and the value of the output of the manufactories of the Commonwealth. In 1904, the average number of hands employed was 203,213; the value of the raw material used was £42,500,000; the added value in process of manufacture was upwards of £29,199,298; and the total value of the output was £71,699,298. In that year, the value of the machinery and plant was £21,971,512; and of land and buildings, nearly £20,000,000; the total being £41,702,509. The industries which have been established are of such gigantic proportions that at least we are justified in taking strong measures to see to their efficient protection. All that the Bill seeks to do in this connexion is to give some assurance that colossal and wealthy corporations, such as exist in America, shall not be permitted to swoop down upon the young and struggling industries of Australia. In other words, we seek to raise a peaceful legislative barrier against all those gigantic monopolistic concerns which may have the intent of destroying our industries.

Senator MULCAHY.—I am a protectionist, but I cannot quite follow that statement.

Senator BEST.—I am only stating that we are seeking to protect ourselves against any effort on the part of wealthy American or other combinations to destroy our industries. That is the purpose of the Bill. As from time to time the question has been asked what is the necessity for the measure, I would urge that, by making it known to such vast combinations that we have made legislative provision against any attempt on their part to crush our industries, as they have successfully done in regard to smaller industries within America, we shall prevent aggression on their part. From that stand-point I urge that the measure is one of a prudential character, and wise in its conception. It is one to

which, in my judgment, neither free-trader nor protectionist can reasonably object.

Senator MILLEN.—No one did object to that part of the Bill.

Senator BEST.—Seeing that that forms the whole of Part II. of the Bill, I do not know exactly what my honorable friend did object to.

Senator MILLEN.—I can only regret that I did not make myself sufficiently clear.

Senator PLAYFORD.—The honorable senator objected to the use of the words—

With intent to destroy or injure, by means of unfair competition, any Australian industry the preservation of which is advantageous to the Commonwealth.

Senator BEST.—Exactly. I have had an opportunity to look through the only speech against the measure which I believe has been circulated in print, namely, that of Senator Symon, and I was present for a time whilst Senators Millen and Gould contributed vigorous onslaughts upon it. I shall try to deal with some of the principal arguments urged by those honorable senators. At the outset, I totally differ from Senator Symon when he says of the measure that it is—

crude, ill thought out, and in its provisions it will not carry out what ought to be the intention, namely, to prevent restraints in trade.

After a careful perusal of it, I say that, in my opinion, it is a thoroughly well-thought-out measure, and wise in its conception.

Senator MCGREGOR.—That is why some people object to it.

Senator BEST.—Undoubtedly. It takes the Sherman Act for its foundation, and seeks to remedy the more important defects disclosed in that Act by numerous American court decisions in connexion with it.

Senator MILLEN.—There is nothing in the Sherman Act in restraint of importation.

Senator BEST.—But there is in the Wilson Act.

Senator MILLEN.—The honorable senator said that the framer of this Bill took the Sherman Act as its foundation.

Senator BEST.—If the honorable senator will allow me, I would say that in America there are three Acts dealing with the objects covered by this Bill. The first is the Sherman Act dealing with trade within the limits of America and with free-trade conditions, the second the Wilson Act, which deals with importations, and the third the Elkin Act, dealing, if I remember rightly, with both internal and external

trade. This Bill is founded on those measures.

Senator MILLEN.—The honorable senator said that it was founded on the Sherman Act. I had no desire to interrupt him, but merely to ask a question. If the honorable senator resents that, I shall not interfere again.

Senator BEST.—I beg the honorable senator's pardon. I was under the impression that he suggested that I had stated something wrongly. I intended afterwards coming to the other two Acts. There are certain objectionable features in the Sherman Act opposed to the general principles of English law, and this Bill eliminates those objectionable American features, and seeks to adopt the principles of English law. It is very important also to remember that this Bill is framed with special regard to our jurisdiction and constitutional powers. Where any of its provisions might be the subject of doubt, honorable senators will find that the very words of our Constitution are used. I therefore congratulate the Attorney-General, the draftsman of the measure, on the legal skill and acumen which he has brought to bear upon it. Senator Symon went on to say, with reference to the Bill—

It is not the outcome of any practical need. . . . No industries are threatened. . . . We have no instance of combines and trusts here. They may or may not exist; at any rate there is none that is mischievous.

That is a very general statement, but, in my judgment, it is not quite correct. Saturday last furnished us with an answer to it. In the *Age* and *Argus* newspapers of that date we saw certain references to Tariff revision, and, amongst other things, the following two paragraphs from the report of the Tariff Commission. I speak subject to correction, but I believe they accord with the general findings of the members of the Tariff Commission, and not merely the findings of protectionist or free-trade members of that Commission—

That there is clear and undisputed evidence that between October, 1904, and October, 1905, there was a trade agreement or combine in existence in Australia to which most of the leading Australian manufacturers of agricultural implements and machinery, together with the International and Massey-Harris Harvester companies, were parties, and that by such agreement the selling price of stripper-harvesters in each of the States was fixed and determined; that, as a result, some local firms raised their prices from £70 to £81, and that one firm reduced its price from £83 or £84.

That we are of opinion that such trade agreements or combines in restraint of trade are injurious and detrimental to the public interest—

I direct the attention of honorable senators to the fact that these are the words of the Bill—

and that they should be prohibited by law, especially in a case where duties are in operation tending to limit importation for the benefit and protection of local manufacturing industries; the importing firms should also be prohibited from entering into such combinations, seeing that they may be utilized for the purpose of lowering prices in order to prejudice and destroy local manufactures.

That is the finding of the Tariff Commission, whose special duty it was to give close attention to this particular subject. Fortunately at this juncture, after full inquiry, they have submitted their conclusions as to the existing condition of things as the result of their investigation. We have also amongst our records a report from the Royal Commission appointed to inquire into and report upon—

1. The existence or otherwise of a combine, trust, or monopoly in the industry of the manufacture, importation, and sale of tobacco, cigars, and cigarettes within the Commonwealth.

2. If such combine, trust, or monopoly be found to exist as to its effect on the industry and the cultivation of tobacco and on the Commonwealth.

3. As to the advisability or otherwise of the Government taking over the industry of such manufacture, importation, and sale, or any part thereof.

That Commission has furnished us with a report, and, while I do not pretend to say that I am in full accord with the findings of the Commission, or that they are justified by the evidence submitted, I have no doubt that they are honest findings, and the result of an honest investigation on the part of the signatories to the report. They are, at all events, evidence of the existence of certain grievances, and of the fact that there is room for some improvement of existing conditions. Clause 4 of the Commission's report says—

That a combine or trust does exist in the industry of the manufacture. . . . That it extends to the business of importation; that it also extends to the wholesale distribution of locally manufactured and imported tobaccos.

Clause 6 of the report reads—

The prospect of this competition has the effect of driving the principal Australian firms into closer combination, eventually culminating in an arrangement which embraces, not only the chief Australian tobacco, cigar, and cigarette manufacturers, but is also connected with the British-American Tobacco Company of the United Kingdom and America. Each of such

manufacturing businesses holds a proprietary interest in every other such business, and also in the distributing firm of Kronheimer Limited.

In clause 17 I find the following:—

As to the effect of the combination on the operatives, four representatives of those engaged in the making of plug and twist tobaccos who gave evidence were in agreement that conditions generally were worse now than before the combination. These complaints refer to inadequate and reduced wages, the substitution of female labour for male labour at lower rates of pay than male labour, humidity of atmosphere of factories, and power of combine to dictate terms and conditions owing to the absence of competitors.

In clause 19 of their report, the Commissioners say—

We find generally that wages have been, in some instances, reduced, and in clause 21 they say—

We find that the effect of the combination on the grower of tobacco leaf has been disastrous; that better prices ruled when the factories were more numerous.

Those are the findings of a Commission appointed by the Governor-General in Council, and comprising representatives of the Senate. I am not saying that they are justified by the evidence, but the fact remains that in connexion with this particular industry there are causes of complaint and grievances. I need not refer to other combines that are perfectly well known to honorable senators. I think that Senator McGregor specially mentioned the monopoly connected with the sugar industry, and we know that there are shipping rings and other combines which have already been referred to. The fact remains that, even in view of our present conditions, it is essential that we should have a law of this kind on our statute-book, to check at the very outset their baneful influence. But, apart from that altogether, my contention is that as prevention is better than cure, this Bill is a wise and peaceable legislative provision available to meet emergencies as they arise. Senator Symon, amongst other things, said—

The only bad monopoly that I know of is that which raises the prices of the necessities of the people. A monopoly of that kind I personally detest. Such a monopoly results from exclusive rights, however acquired, to the sale of a commodity.

The honorable and learned senator went on to say—

And it may be brought about by agreement with the intention to choke competition and capture the market—the objective in point of fact is to raise prices.

I will make but one comment upon that, and it is that this particular class of monopoly, which excites the detestation of my honorable and learned friend, is one of the classes of monopoly proposed to be dealt with by the provisions of this measure. Then the honorable and learned senator went on to refer to what is regarded as rather an important matter. He said—

It will strike at the importation of machinery used largely in the boot trade, which cannot be otherwise acquired.

The honorable and learned senator gave us to understand that this Bill would have the effect of annulling existing contracts for the leasing of boot manufacturing machinery, and that prosecutions might take place as the result. I think that the honorable and learned senator was in error in those conclusions. I say so, of course, with the greatest respect for my honorable and learned friend. I understand that his reference was to the Goodyear bootmaking machines. In connexion with this machinery there are throughout Australia various contracts in force with boot manufacturers. They provide for the payment of royalties, and, as I gather, the boot manufacturer is obliged to take from the proprietor of the machines certain material, and the price to be paid for that material is, I understand, 5 per cent. more than the prevailing market price.

Senator MULCAHY.—It is not necessarily that. The only restriction is that the lessee shall not buy from any one else unless the lessor shall be unable or unwilling to supply the goods, and at a price not more than 5 per cent. in excess of the price for which the lessee can obtain them of equal quality.

Senator BEST.—Senator Symon was of opinion that this Bill if passed into law would make those agreements null and void, and that prosecutions might follow. With confidence I express the opinion that the terms of the Bill in no way affect such agreements.

Senator PLAYFORD.—The Attorney-General has said so in another place.

Senator MILLEN.—Would the Bill not even effect the continuance of such agreements?

Senator BEST.—No; not even the continuance of such agreements?

Senator MULCAHY.—How about the renewal of agreements?

Senator BEST.—I shall even go further and say that, provided they are beneficial

agreements, and not detrimental to the public, they may be renewed, notwithstanding this measure, for the reason that it does not affect them under such circumstances.

Senator MULCAHY.—How about any person desiring to enter into a similar agreement?

Senator BEST.—He would be at perfect liberty to enter into any agreement or contract of a beneficial nature; the only contracts or agreements which may not be entered into are such as would be detrimental to the public. Clause 4 mentions any "person or agent" who "makes or enters into any contract"; and I say that these words in themselves imply the future, and have no reference to the past. That clause goes on to speak of persons who enter into such contracts or agreements "with intent" to restrain trade or commerce to the detriment of the public. If a man innocently entered into such a contract before the passage of this Bill, he could not possibly have done so with the intent to restrain trade under the terms of a measure that was not in existence. Subclause 2 provides that every contract made or entered into in contravention of the terms of the Bill shall be absolutely illegal and void. Honorable senators will see, therefore, that the Bill cannot have any possible reference to existing contracts.

Senator MILLEN. — But supposing some contract were entered into the day after the Bill became law?

Senator BEST.—At present I am merely contending that the Bill cannot be retrospective, and, consequently, does not affect existing contracts, which are a source of such apprehension on the part of the honorable senators with whose arguments I am at present dealing. In other words, the Bill says that a crime is not to be made retrospective; and it is a well known and acknowledged principle that no legislation must make a crime retrospective. I go further, and say that if contracts are beneficial—if they are not to the detriment of the public, and are not made to restrain trade or commerce to the detriment of the public, or with intent to destroy or injure by means of unfair competition, any Australian industry, the preservation of which is advantageous to the Commonwealth, having regard to the interests of producers, workers, and consumers—they may be entered into the day after this Bill has passed. There is nothing in the terms of this measure that

would prevent such a state of affairs eventuating. But I may be referred to the clause which deals with any person who is at present, or continues to be, a member of, or engages in, any combination. That, however, is not the sort of contract with which I am now dealing. There is an offence mentioned in clause 4 of continuing to be a member of, or engaging in, any combination with intent to restrain trade to the detriment of the public, and with intent to destroy an Australian industry which is worth preserving. The Bill provides that any persons who enter into a conspiracy of that kind shall be guilty of an offence. Could anything be more fair or reasonable? That offence is not retrospective, because the Bill provides that if a person continues to be a member of a nefarious combination, such as is contemplated, there shall be an offence, and that practically means an offence after the measure has been passed. In other words, if a person continues to be a member of a nefarious combination, he is to be treated as though he had freshly joined after the passage of the Bill. That is obviously the position; and, consequently, if a person continues to be a member of a conspiracy against Australian industries, an offence will be created under the Bill, and there will be a liability to prosecution, as for any other criminal offence. Reference has been made to the Sherman Act; and so far as I could gather from the remarks of the three honorable senators who adversely criticised the Bill, they regard that Act with approval. I do not know whether I am doing Senator Millen an injustice when, trusting to memory, I say that I understood him to tell us that if we had the Sherman Act he would be quite satisfied.

Senator MILLEN.—The honorable senator is not quite correct.

Senator BEST.—And am I to understand that Senator Millen would not be satisfied if we had the Sherman Act?

Senator MILLEN.—What I did say was that I was perfectly satisfied to support so much of this Bill as will operate in restraint of trusts and monopolies.

Senator BEST.—Do I understand the honorable senator to say that he discards the Sherman Act, and would not be satisfied with its terms and provisions? If that be so, I am to some extent robbed of the criticism I was about to launch. But I must say that three honorable senators who spoke on this side of the chamber gave me that impression.

Senator TRENWITH.—Senator Symon practically took that view, because he asked why we were not asked to adopt the Sherman Act.

Senator BEST.—I was saying that honorable senators on this side have spoken in terms of approval of the Sherman Act.

Senator MILLEN.—I do not think that the honorable senator is quite correct there; what was said was that the Government were not justified in representing this Bill as a copy of the Sherman Act.

Senator PLAYFORD.—I never said that this Bill was a copy of the Sherman Act.

Senator MILLEN.—The Minister of Defence has all along said that this Bill is founded on American legislation.

Senator PLAYFORD.—The Sherman Act is the foundation, just as it is the foundation of five or six other Acts since passed in the United States, finishing up with the Elkin Act, to which Senator Best wished to refer.

Senator BEST.—Just so; the foundation of this Bill is American legislation, including the Sherman Act, and the Wilson Act and the Elkin Act; the Bill is founded on all three Acts. Then I understood honorable senators to say that this Bill does not attempt to discriminate between good trusts and bad trusts.

Senator MILLEN.—Exactly.

Senator BEST.—Senator MilLEN is not prepared to say that he would be satisfied with the Sherman Act—though I understood from the general remarks of three honorable senators on this side that that Act met with their approval—and he now contends that the Bill does not discriminate between good trusts and bad trusts. If these are the views of my honorable friends on this side, I can only say that they cannot have given the Sherman Act, or the decisions under its provisions, their thoughtful and careful consideration. I undertook at the outset to prove, as far as I could, that this Bill eliminates what we conceive, according to our English ideas, to be the harsh and rather unfair provisions of the Sherman Act. I now propose to contrast the two measures. The first section of the Sherman Act is as follows:—

Every contract, combination in the form of trust or otherwise, or conspiracy, in restraint of trade or commerce among the several States, or with foreign nations, is hereby declared to be illegal.

That is to say, it is a misdemeanour to so contract.

Every person who shall make any such contract or engage in any such combination or conspiracy, shall be deemed guilty of a misdemeanour, and, on conviction thereof, shall be punished by a fine not exceeding \$5,000, or by imprisonment not exceeding one year, or by both said punishments, in the discretion of the Court.

I desire now to show how the provisions in this Bill are more just. According to the terms of the measure before us, a man cannot be convicted of a crime unless he commits it with intent to do wrong; whereas under the Sherman Act the most innocent of men may commit a crime unwittingly. In other words, an unfortunate man may, by some inadvertent act on his part, render himself liable to serious penalties. The Bill, in contrast to the Sherman Act, is a guarantee that an innocent man shall not be made a criminal. Under it it has to be proved, not only that the agreement is in restraint of trade, but further that it is detrimental to the public; whereas under the Sherman Act, all that has to be proved is that the combination is in restraint of trade. The third distinction is that under the Bill it has further to be proved that the intention is to destroy or injure, by means of unfair competition, some Australian industry that is worth preserving. It will be seen that there is a vast difference between the Bill and the Sherman Act.

Senator MILLEN.—And there lies the vast danger of the Bill.

Senator TRENWITH.—The danger that we cannot punish an innocent man!

Senator MILLEN.—That is a gross misrepresentation of what I said—an intentionally gross misrepresentation.

Senator TRENWITH.—If the honorable senator says that the misrepresentation is intentionally gross, I can only reply that he has made a misstatement.

Senator BEST.—I desire to go further, and say that the Sherman Act does not discriminate between good and bad trusts, whereas the Bill before us does. It has been held by the American Courts under the Sherman Act, that whether the restraint of trade be beneficial or injurious, it makes no difference.

Senator FINDLEY.—Quite right; there are no beneficial trusts.

Senator BEST.—The only question that the American Courts have to consider is whether there is restraint of trade, which

may be intentional or otherwise. I wish to satisfy honorable senators on this point by supporting what I have said, with the dictum of learned Judges in various decisions. The first reference I make is to the case, *The United States v. the Chesapeake Ohio Fuel Company*, which is reported at page 105 of the *Federal Reports* for 1893.

Senator MULCAHY.—The honorable senator has made no reference to "unfair competition" and its definition.

Senator BEST.—The honorable senator may accept the assurance from me that before I conclude I shall give a fairly full explanation on that point.

Senator FINDLEY.—Competition cannot succeed at all unless it is unfair.

Senator MULCAHY.—Unfair competition is defined in the Bill.

Senator FINDLEY.—There is no such thing as fair competition—the competitive system is all unfair.

Senator PLAYFORD.—Then, if a man were to stand against me for Parliament, he would be guilty of unfair competition?

Senator BEST.—I desire to assure honorable senators that I propose to deal with every feature of the Bill to which exception has been taken.

Senator MULCAHY.—What I have referred to is one important point.

Senator BEST.—The point which I am now emphasizing is that the Sherman Act makes no difference between beneficial and injurious trusts, whereas this Bill does. What I am about to quote is the head-note to the judgment in the case which I have mentioned. It says—

It is the declared policy of Congress to promote individual competition in relation to Interstate commerce, and to prevent combinations which restrain such competition between their members; and it is no defence to an action to dissolve such a combination as illegal under the anti-trust law that it has not in fact been productive of injury to the public, or even that it has been beneficial, by enabling the combination to compete for business in a wider field.

The District Judge, Thomson, in the course of his judgment, said—

The important question is, not whether the performance of the contract so far has resulted in actual injury to trade, but whether the contract confers power to regulate and restrain trade upon those charged with its performance.

Later on he said—

It is the duty of the courts to condemn every contract which necessarily in its performance involves a restraint of trade, although it may not extend to the point of a monopoly of all that trade.

The case finally went to the Court of Appeal, which, in the course of its judgment, said—

It is no defence to a suit to dissolve such a combination as illegal under the anti-trust law, that it has not been productive of injury to the public, or even that it has been beneficial, by enabling the combination to compete for business in a wider field. As we understand the decisions of the Supreme Court of the United States, the construction of the statute is no longer an open question. At the common law, contracts were invalid when in unreasonable restraint of trade, and were not enforced by the courts. . . .

In the exercise of this right, Congress has seen fit to prohibit all contracts in restraint of trade. It has not left to the courts the consideration of the question whether such restraint is reasonable or unreasonable, or whether the contract would have been illegal at the common law or not.

There is another case, known as the Northern Securities case—and also known as the great Merger case—where the same principle was laid down. The Court said—

The Act is not limited to restraints of Interstate and international trade or commerce that are unreasonable in their nature, but embraces all direct restraints, reasonable or unreasonable, imposed by any combination, conspiracy, or monopoly upon such trade or commerce.

So that honorable senators will see that the terms of the Sherman Act were so drastic that, whether the contract was reasonable or unreasonable, it came within the provisions of the law.

Senator DOBSON.—Does the honorable senator think that that principle applies to the exact wording of this Bill.

Senator BEST.—This Bill eliminates the principle which I have mentioned, and is based upon English principles. I will show my honorable friend in what way, but before doing so I wish to refer to a remark made by Senator Symon. My honorable friend Senator Dobson and myself protested against Senator Symon's view of the law at the time, and the following remarks were made. Senator Symon spoke with approval of certain English combinations:—

Senator DOBSON.—There is an authority which says that, whether the combinations are reasonable or not, they are illegal.

Senator Sir JOSIAH SYMON.—If the honorable and learned senator thinks that fixing prices is in restraint of trade he will act on that opinion.

Senator BEST.—There are several cases in which the Courts say so.

Senator Sir JOSIAH SYMON.—There are not, as Senator Best will find. I have looked into the cases with some care.

I, too, have looked into the matter with some care, and the result of my investigation is as I have stated. The cases that I

have quoted to the Senate distinctly show that whether the contract is beneficial or injurious, reasonable or unreasonable, if it be in restraint of trade that fact in itself is sufficient, and the contract is illegal. Senator Millen graphically put before the Senate this state of affairs. He said that the New South Wales Government had entered into a contract with a combination of wire netting manufacturers in the old country for the supply of some 5,000 miles of wire netting. Holding up the Bill, he said, "This Bill is going to declare that contract to be illegal, and therefore null and void." He went on to say, "But I challenge the Minister of Defence, with all his army, to keep that wire netting out of New South Wales!" I wish to tell my honorable friend that this Bill does not declare a contract of that kind to be void at all.

Senator MILLEN.—My whole argument was that the Bill either meant prohibition or it was a nullity. Senator Best supports everything that I said, and proves that the Bill will be a nullity.

Senator BEST.—I understood my honorable friend to say that under this Bill the contract made by the New South Wales Government would be a nullity. My answer is that such a contract would not be a nullity, unless it could be proved that it was a contract detrimental or injurious to the public. Otherwise it would be perfectly proper, and would not be affected by the terms of this Bill.

Senator MILLEN.—The honorable senator overlooks clause 6, paragraph b.

Senator BEST.—I will undertake to deal with that provision. Then my honorable friend referred to a contract entered into, or about to be entered into, by a number of dairymen with some capitalist, who undertook to erect butter factories on condition that those dairymen gave him their trade. My reply to that is that, unless my honorable friend can assure me that the contract is injurious and detrimental to the public, it is a perfectly good one, and, if this Bill were passed to-morrow, would not be affected by it in any shape or form.

Senator MILLEN.—It is a restraint upon trade.

Senator BEST.—Such a contract would be had under the Sherman Act, so much admired by honorable senators who oppose this Bill, but it would be perfectly good under this measure. I promised honorable senators that I would point out the English

principles upon which this Bill is founded. I have shown that under American law any contract in restraint of trade, whether beneficial or injurious, is bad. As regards English law, the principle is laid down in the case of *Nordenfelt v. Maxim*, reported on page 549 of the Appeal Cases of 1894. Lord Herschell laid down this well-established and fundamental principle—

I would adopt in these cases the test which in a case of partial restraint was applied by the Court of Common Pleas in *Horner v. Graves* (1), in considering whether the agreement was reasonable. Tindal, C. J., said: "We do not see how a better test can be applied to the question, whether reasonable or not, than by considering whether the restraint is such only as to afford a fair protection to the interests of the party in favour of whom it is given, and not so large as to interfere with the interests of the public."

Lord Watson said—

It does not seem to admit of doubt that the general policy of the law is opposed to all restraints upon liberty of individual action which are injurious to the interests of the State or community.

So that the British principle is that a restraint in trade may be reasonable or it may be unreasonable. If it is fair and reasonable, that restraint in trade is good, according to British law. If it is unfair or unreasonable it is bad. And it is so under the terms of this Bill. It is only in cases where there is, with intent, restraint of trade to the detriment of the public, or where an offence is committed, or a man enters into a contract, or continues in a combination, with intent to destroy or injure by means of unfair competition any Australian industry, the preservation of which is advantageous to the Commonwealth, having due regard to the interests of producers, workers, and consumers—whose interests are so exclusively looked after by my honorable friends who oppose this Bill—that the action is illegal. This measure, therefore, is founded on British principles. There is another important matter to which I have been asked to make reference, and which requires a great deal of attention. That is the question of our power to interfere with persons who confine themselves to trading simply within the limits of a particular State. The question is: What are the powers of the Commonwealth in regard to those persons; and, also, what are the powers of the Commonwealth in relation to foreign corporations that attempt to trade within the Commonwealth? The difficulty will,

no doubt, appear to some honorable senators to be more or less intensified when I say at once that I differ from the view of my honorable friend, Senator Symon. I should say, however, in justice to him, that I believe that if he had not overlooked the matter to which I am about to refer, he and I would probably be in complete agreement. Senator Symon said in the course of his speech—

Honorable senators will recollect that we have no power to deal with trade which is confined in its operations to any one State. Our only power in this matter is to deal with trade and commerce between the States and with foreign countries. Clauses 5 and 8 are certainly couched in a form of words which makes it extremely doubtful if an attempt might not be made under this measure to interfere with trade which is absolutely confined within a particular State. . . . I do not know how we are going to get at a foreign corporation.

He expressed doubts whether clauses 5 and 8 of the Bill are constitutional, and relied upon certain American cases in support of his view. But my honorable friend overlooked the important fact that our Constitution is not the same as that of America. It is wider. The feature of our Constitution which is not embodied in the American, and which makes all the difference, is paragraph 20 of section 51, which authorizes this Parliament to make laws "for the peace, order, and good government of the Commonwealth," with respect to—

Foreign corporations and trading or financial corporations formed within the limits of the Commonwealth.

That is not in the American Constitution. If it were there, then, in my opinion, we should not have the American decisions to which Senator Symon has referred in support of his contention. Consequently, it is by reason of section 51 of the Constitution, paragraph 1—

Trade and commerce with other countries and among the States—

together with paragraph 20, that we are enabled to enact clauses 4 and 7, which must be read together, and clauses 5 and 8, which must also be read together. I propose to explain as carefully as I can our constitutional powers in regard to these matters. Clause 4 provides that—

Any person who, either as principal or as agent, makes or enters into any contract, or is or continues to be a member of or engages in any combination, in relation to "trade or commerce with other countries or among the States."

That follows the wording of paragraph 1 of section 51 of the Constitution. If hon-
Senator Best.

orable senators will refer to clause 7, they will see that precisely the same words are, advisedly, made use of as regards trade or commerce—

Any person who monopolizes or attempts to monopolize, or combines or conspires with any other person to monopolize, any part of the trade or commerce with other countries or among the States, with intent to control, to the detriment of the public, the supply or price of any service, merchandise, or commodity, is guilty of an offence.

That again follows the terms of the provision in the Constitution, so that it will be observed that when dealing with a person as against a corporation, clauses 4 and 7 refer to trade or commerce done by that person, with other countries, or among the States, and not to trade or commerce confined within the limits of any one State. Then under paragraph xx. of section 51 we have power to make laws in regard to—

Foreign corporations, and trading or financial corporations formed within the limits of the Commonwealth.

If honorable senators will refer to clause 5 of the Bill they will see this provision—

Any foreign corporation, or trading or financial corporation formed within the Commonwealth, which, either as principal or agent, makes or enters into any contract, or engages or continues in any combination—

to do so and so, shall be guilty of an offence. Then, in clause 8, the constitutionality of which was doubted by Senator Symon, precisely the same words are used again—

Trade or commerce within the Commonwealth, with intent to control, to the detriment of the public, &c.

In clauses 5 and 8 there is no such limitation as in clauses 4 and 7. In other words, the Bill seeks to control the trade or commerce of the corporation referred to, even if confined to the limits of a State; and, according to my view, paragraph xx. of section 51 gives us full power to do so. So that the constitutional position appears to be that we, as a Commonwealth, have no power to deal with or control any trade carried on by an individual within the limits of a State. If, however, he attempts to deal with other States, or with trade and commerce beyond the Commonwealth, we have full constitutional power to control him in the terms of clauses 4 and 6 of this Bill. But let us now take the other contingency. In regard to foreign corporations, I contend we have complete and unlimited control. If a

foreign corporation chooses to establish itself in a State of the Commonwealth, even if it confines its trade to the limits of that State, we have complete control over it.

Senator MILLEN.—Does not the honorable senator think that the Federal power over corporations is necessarily limited by the power conveyed in the trade and commerce provision?

Senator BEST. — No; the power over corporations is given by paragraph xx. of section 51 of the Constitution.

Senator MILLEN.—All under one general provision.

Senator BEST.—By the combination of paragraphs 1 and 20 of section 51 we have complete control over foreign corporations, whether they confine their business within the limits of a State or not. My view is that each of the paragraphs in section 51 is covered by the opening words of the section giving Parliament power to make laws for the peace, order, and good government of the Commonwealth; that each paragraph confers jurisdiction as to the subject to which it refers; that each can be read independently almost as though the other thirty-eight paragraphs were absent; and what is most important, that the words or phrases of each paragraph are to be given their fullest meaning, and are to be construed in their widest sense. These are the principles followed in the interpretation of the American Constitution.

Senator MILLEN.—The honorable senator will get a shock when the point is determined by the High Court.

Senator FINDLEY.—What can we do to corporations or combines within the Commonwealth? We cannot put them in gaol.

Senator BEST.—I shall show how they can be dealt with.

Senator PLAYFORD.—We can touch their pockets sometimes.

Senator FINDLEY. — We can touch the pockets of private individuals, but we cannot touch the pockets of corporations and combines.

Senator BEST.—I shall deal with that matter if my honorable friend will allow me. We have complete control over a local or foreign corporation.

Senator FINDLEY.—What does the honorable senator mean by "complete control"?

Senator BEST.—A foreign corporation, or a trading or financial corporation formed within a State, and confining its trade to

the State, comes within the Commonwealth control and jurisdiction. That is, I think, the proper constitutional view of the matter, and that view is certainly carried out by the terms of the Bill. Senator Findley has interjected, "We cannot put a corporation in gaol." That is quite true; and the Bill deals with a contingency of that kind by clause 9, which says—

Whoever aids, abets, counsels, or procures, or by act or omission is in any way, directly or indirectly, knowingly concerned in or privy to—

(a) the commission of any offence against this Part of this Act; or

(b) the doing of any act outside Australia which would, if done within Australia, be an offence against this Part of this Act,

shall be deemed to have committed the offence.

If there are any local directors, or if there is a local manager or agent carrying on the business of that concern, and it has committed an offence against the Commonwealth, they or he will be liable to imprisonment.

Senator FINDLEY. — That is all right; but each corporation will get a secretary who will take those risks.

Senator BEST.—That may be; we cannot do impossibilities. We have power to control their goods, so that we could soon stop their operations. I hope that I have made it clear—and I admit that the matter is a subject of much confusion—in what circumstances individuals and corporations will be amenable to the terms of the Bill.

Senator MULCAHY. — Why are we restricted in the case of an individual who confines his business to a State?

Senator BEST.—Because the Constitution says so.

Senator MILLEN.—No; because Senator Best says so.

Senator BEST.—My honorable friend need not be offensive. I trust that I am at liberty to give an opinion on this subject.

Senator MILLEN.—Yes; but it is not correct to assert that the Constitution says so. That is only the honorable senator's interpretation of the provision.

Senator BEST.—In my opinion, the Constitution says so, and I challenge my honorable friend to controvert that view. I contend that we have no control over any individual who confines his trade to one State.

Senator MULCAHY.—Where do we get power over an individual when he extends his trade beyond the limits of a State?

Senator BEST.—Under paragraph 1 of section 51 we have power to make laws in regard to—

Trade and commerce with other countries, and among the States.

Senator MILLEN.—The honorable senator says that that is limited to an individual, not to a corporation.

Senator BEST.—I do not say anything of the kind.

Senator MILLEN.—The honorable senator said so just now.

Senator BEST.—I said that it includes individuals as well as corporations. Senator Symon asks what is the meaning of the word "service" in clause 7 of the Bill. He says—

Does it mean labour? I think it is quite clear that the trade unions would come under the provision. I think it means labour.

Again, I have to differ from my honorable and learned friend. The clause says—

Any person who monopolizes or attempts to monopolize, or combines or conspires with any other person to monopolize, any part of the trade or commerce with other countries or among the States, with intent to control, to the detriment of the public, the supply or price of any service, merchandise, or commodity, is guilty of an offence.

It will be seen that the "service" has to form part of the trade and commerce.

Senator DOBSON.—The honorable senator does not think that it applies to labour?

Senator BEST.—According to my view, certainly not. The service must be part of the trade and commerce. There are certain American cases which deal with the matter. There is a case known as the *United States v. Knight and Company*, heard in 1895, and reported in 156 *U.S.I.*, of which I have a short note—

American Sugar Refining Co. (N. J. Corp), by buying up four Philadelphia corporations, acquired practical monopoly of manufacture. Manufacture is not commerce. Transaction bore no direct relation to Inter-State commerce.

That means to say that those engaged in manufacture are not engaged in trade and commerce. But then there are certain other cases. There is, for instance, the case of the *United States v. the Trans-Missouri Freight Association*, in which it was decided that—

Restraint provisions apply to contracts between competing carriers, relating only to rates for transportation.

Not necessary to prove purpose to restrain, if necessary effect is to restrain.

Application to all restraints—reasonable or unreasonable.

That is supported by certain other cases, including the *United States v. The Joint Traffic Association*, and also the *Addyston Pipe and Steel Company v. United States*, which has already been referred to. So that "service" in clause 7, being part of the trade and commerce, means transportation, and, according to my view, cannot have any regard to the labour engaged. I wish to attack another matter of which my honorable friends have made much. They have objected that this Bill is a mere scheme and pretence for further protection, and inquired why do not the Government boldly and honestly introduce Tariff proposals for increased duties.

Senator MULCAHY.—That would be much more honest, anyhow.

Senator BEST.—I shall try to satisfy my honorable friend that Tariff proposals and this Bill have two totally different objects in view.

Senator MULCAHY.—Not according to my reading of the Bill.

Senator BEST.—Even if the members of the Government did introduce Tariff proposals, my honorable friends would not be satisfied, but would be equally strenuous in their opposition. The Bill is certainly introduced with the object of further protection in one aspect, but not as generally understood.

Senator DOBSON.—Canada and New Zealand fell back upon protection for a remedy.

Senator BEST.—That may be; but I wish to answer the objection just mentioned. Protection is very important. The object of Tariff proposals is to equalize conditions. We take our industrial conditions and standard of life, and then we raise a barrier, so as to give our own people a fair show.

Senator MULCAHY.—Do not the protectionists go a long way beyond that sometimes?

Senator BEST.—Will my honorable friend hear me out?

Senator MULCAHY.—I know that they do. I do not mind it sometimes, but it is well to be frank about it, is it not?

Senator BEST.—I hope that I am very frank. The objection of my honorable friends is that all that is sought to be achieved by the Bill could be achieved by Tariff proposals, and that that would be a more honest way of dealing with the subject.

Senator MULCAHY.—Yes.

Senator BEST.—The terms and objects of this Bill could not possibly be achieved by Tariff proposals, unless, of course, we framed a prohibitive Tariff, and that point I shall come to later on.

Senator MILLEN.—Then this Bill means prohibition.

Senator BEST. — No; that is exactly what it does not mean, and that is what my honorable friend is disappointed to learn. Its design is to provide for emergencies as they arise, and under circumstances mentioned in the Bill to prohibit Tariff proposals are of general application. This Bill is of special application, and is only intended to meet emergencies. Tariff proposals deal only with normal conditions. This Bill seeks to deal with abnormal conditions. Tariff proposals, to a greater or less extent, encourage trade on fair conditions. This is a Bill to prevent trade on unfair conditions; in other words, it is intended as an emergency measure, with the view that, if Messrs. Rockefeller, or other unscrupulous multi-millionaires of his type, attempt to swoop down upon our industries, we shall have at hand legislation to enable us to cope with them. Personally, I do not hesitate to say that I object to a prohibitive Tariff. At the same time, as a protectionist, what I seek to achieve is fair play for our own industries. If we attempted by means of the Tariff to secure what is aimed at by this Bill, we should require to have a general prohibitive Tariff, under which unfair combinations, seeking to do injury to our industries, would be treated only in the same way as the fair trader. Such a thing we do not desire. We desire to encourage trade on fair conditions, but we will not submit to colossal combinations or trusts bringing goods here with the object of crushing our industries. According to honorable senators in opposition, in honesty this should only be done by a prohibitive Tariff. But, as we object to a prohibitive Tariff, which would punish the fair and the unfair traders alike, we prefer to resort to the means provided by this Bill. The contingencies proposed to be dealt with are well illustrated by what has taken place within our own experience. I ask honorable senators what it is that the International Harvester Company have attempted to do? I have had put into my hands one or two letters, to which the attention of the Senate might well be directed. Honorable senators are aware

that some time ago the International Harvester Company boasted that they controlled 90 per cent. of the trade in agricultural implements.

Senator PLAYFORD.—In the States.

Senator FINDLEY.—That was only the boast of a traveller.

Senator O'KEEFE.—Is that 90 per cent. of the United States trade?

Senator BEST.—I think it was the trade of the world that was referred to, and they had certain designs on the remaining one-tenth.

Senator TRENWITH. — They claimed to have 90 per cent. of the world's trade in harvesting machinery.

Senator MILLEN.—The honorable senator could not make that statement on his own responsibility.

Senator BEST.—No, I could not; but I shall read the letter which is my authority for the statement. It speaks for itself. This letter has evidently been printed and circulated, and I presume that it is authentic in every way. It is a letter from the International Harvester Company to an agent of the Sunshine harvester, and is dated 3rd February, 1905—

Dear sir,

We regret to note that you have the agency for the sale of McKay harvesters.

Now that we have not only the most complete but no doubt the best line of harvesting and seeding machinery in Australia, we would ask you to discontinue McKay harvesters, as we are positive you could do much better if you handled our goods exclusively. The inducement we offer you in the way of commission and competent salesmen and experts should be an incentive to you to stand by the company, that is not only in a position to give you the largest line of goods to which they are adding every year, but are ever ready and willing to treat fairly with you in assisting you in every way possible to make a success.

You are no doubt aware that the International Harvester Company of America manufacture and sell 90 per cent. of the world's output of harvesting machinery, and it goes without saying that this company will continue to grow, and under such circumstances we are sure you would prefer to be identified with a company that will be the most useful to you from a remunerative stand-point.

There is also another advantage for you particularly to note, viz., a very considerable saving of your time and horse flesh in being able to take care of the whole of your machine business during one visit, with the one salesman of proved ability and experience. There will be a saving of your valuable time on sales and keeping accounts and in correspondence.

We feel that our full line should be distinctly represented by each and every agent with whom we contract, and when one of our agents handles other lines of goods that are in direct competition

with ours or part of ours, we feel that our business suffers thereby to a certain extent, and we are therefore inclined to the opinion that should we be obliged to transfer the agency on this account, even if the new agent were unable the first year to sell as many machines of a certain kind as the former agent did, that in the aggregate he would do a better business for us than the agent who sells only certain lines of our goods to the exclusion of the balance.

We are placing this matter fairly before you in order that you may see it from our view point, and we trust that this letter will be the means of securing to us an exclusive contract with you for the McCormick line.

Senator MILLEN.—Does the honorable senator think that it is unreasonable that a manufacturer should ask his agent to confine himself to the interests of his employer?

Senator BEST.—That might be perfectly legitimate. I am not complaining about that; but I wish to show the whole of the tactics that were adopted.

Senator PEARCE.—Lawyers sometimes get a retaining fee.

Senator MILLEN.—And they want it.

Senator BEST.—Here is another letter addressed to Mr. McKay, and dated 25th October, 1902—

Dear sir,

I have been offered £70 cash on starting for a Sunshine harvester. Kindly inform me if you will accept it, it is going into a new district, and my client has been offered good terms by the International, and intends going for one if you cannot do a Sunshine at this price offered.

I was present when the International representative offered the following terms, viz. :—

1 or 2 machines at... £60 cash.

3 machines at... £150 cash.

So you can see what is being done. He sold two at £120 to one man. Of course, I could not go near him at your prices.

Early reply will oblige.

That is important, because when the Minister of Trade and Customs raised the valuation of these machines for Customs duty to £65, there was a great outcry against his action. I understand that these people set to work to secure the trade by reducing their prices, although at one time they represented that, in view of the cost of manufacture and expensive sale, they could not sell at a reasonable profit below £81.

Senator MILLEN.—That was when they were in the combine with McKay.

Senator BEST.—I have no sympathy with the combine, whether Mr. McKay was a member of it or not.

Senator MILLEN.—He has no sympathizers, but he finds many prepared to put forward his views.

Senator BEST.—I understand that at one stage the International Harvester Company said that they could not sell at a reasonable profit under £81 for each machine.

Senator TRENWITH.—They said that they could not sell at a reasonable profit at £81.

Senator MILLEN.—McKay said the same.

Senator BEST.—Notwithstanding that fact, we have it recorded in the letter I have read that they not only attempted to sell, but actually did sell, one of their machines at £60, and three others for £150, or £50 each. What is the object of this? This indicates in a small way what we have reason to expect will develop.

Senator FINDLEY.—Did McKay never sell a machine for less than £81?

Senator BEST.—Very likely he did, and I remind honorable senators that the object of this Bill is not merely to regulate the International Harvester Company, but likewise Mr. McKay. Mr. McKay's trade is not confined to one State. It extends throughout the States, and he has also an export trade. Consequently if he transgresses in any way the provisions of this Bill, he will be liable to the punishment provided for offences against the measure. The law is that, if persons conspire for the purpose of committing a criminal offence upon an individual, they will be liable to punishment, and if they conspire for the purpose of injuring any Australian industry, they will, under this Bill, be guilty of a criminal offence, and liable in that case to punishment also. According to my view, the Bill is one which should be supported by free-traders and protectionists alike. I will take, for example, the instance of an industry in New South Wales—if it is possible that any industries have been established there under free-trade, and I do not know whether there have been any.

Senator MILLEN.—What a lamentable want of knowledge.

Senator BEST.—Perhaps, or it may be due to obtuseness. However, let us by a stretch of imagination assume that an industry has been established in New South Wales under free-trade.

Senator MILLEN.—Is the honorable and learned senator certain that there is such a place as New South Wales to start with?

Senator BEST.—I believe that there is such a place. I understand that the Federal Capital is to be established in that State. I take, for example, an industry established in New South Wales, if honorable senators please, under free-trade, and I would ask my honorable friends from that State who are opposed to this measure, whether they would quietly stand by if they saw a nefarious effort, on the part of Mr. Rockefeller, to whom I refer as a typical individual, or on the part of the International Harvester Company, or any other vast capitalistic combines being made with the deliberate intention of wiping out that New South Wales industry?

Senator MILLEN.—How is the honorable and learned senator to prove the intent?

Senator BEST.—If that was not proved the effort would not be punishable under this Bill.

Senator MILLEN.—Then the Bill would become a nullity.

Senator BEST.—In that case, the honorable senator should not object to it.

Senator MILLEN.—I certainly do object to our wasting time in plastering up a placard.

Senator BEST.—The honorable senator's objection now is to wasting time, but I understood that his objection to the measure was that it would bring about fearful disasters, and that it was for that reason he proposed to vote against its enactment.

Senator MILLEN.—The honorable and learned senator must be aware of the fact that he is not correctly stating my objection to the measure.

Senator BEST.—Did the honorable senator not predict disasters under the Bill?

Senator MILLEN.—I said that under the Bill one of two things would happen—prohibition, which would mean disaster, or nullity, which would mean waste of time here.

Senator BEST.—The honorable senator predicted all sorts of extraordinary disasters from the operations of the Bill; and now he contends that it will be a nullity.

Senator MILLEN.—Not only now; I made the same contention last Friday.

Senator BEST.—If the Bill be a nullity, the honorable senator need not be so terribly fearful and apprehensive concerning it, because it will do no harm. I ask honorable senators whether they would quietly stand by and see an industry, which had been established in New South Wales,

wiped out by a nefarious combination such as that to which I have referred? I say that it would be unpatriotic on their part to do so. I desire to emphasize the fact that the Sherman Act is designed primarily to meet free-trade conditions, and to urge that free-traders ought to support this Bill. As I say, the object of the Sherman Act is to provide against monopolies under the free-trade which exists throughout the United States. Let us assume that Mr. Rockefeller, or the International Harvester Company—

Senator TRENWITH.—Or Mr. McKay.

Senator BEST.—Mr. McKay, or anybody else, set to work with the determination to wipe out all opposition and capture the whole of the trade of Australia in any particular department of trade—say agricultural implements, by way of example. Let us suppose that such combination or monopoly, seeing sufficient field for their labours, decided to confine their trade to the Commonwealth alone. Under these circumstances, what would be the value of a prohibitive Tariff?

Senator FINDLEY.—What would be the value of the Bill?

Senator BEST.—The Bill would meet such circumstances, but a prohibitive Tariff would not.

Senator MULCAHY.—Would the Bill meet the circumstances?

Senator BEST.—Undoubtedly.

Senator TRENWITH.—It would, unless the members of the combination were unscrupulous and clever enough to dodge it.

Senator MULCAHY.—Which they always are.

Senator MCGREGOR.—They are sometimes caught.

Senator BEST.—I ask again how, under such circumstances, the remedy of a prohibitive Tariff, proposed by Senator MilLEN, would be of any value? Of course, there is no answer.

Senator MULCAHY.—Senator MilLEN does not propose a prohibitive Tariff.

Senator BEST.—Senator MilLEN said that a prohibitive Tariff would be honest.

Senator MULCAHY.—It was I who said that.

Senator BEST.—The Tariff suggestion is a mere bogey. The object of the Bill is clearly defined—namely, to prevent any deliberate effort to injure our Australian industries. Before I conclude, I desire to glance for a moment or two at the development of monopolies and trusts, and the

American procedure to combat them. At first, the combination or trust was simply brought about by an agreement to regulate trade and prices. That agreement was held by the Courts to be in restraint of trade, and fundamentally wrong, and, consequently, it was declared to be illegal. In order to elude that decision, the next step was taken of vesting the stock in trustees, which it was thought, in the absence of an agreement, would not be a combine. The trustees were empowered to declare how they would hold the stock, and by this means they managed to regulate trade. The Courts, however, again decided that this procedure was in restraint of trade, and therefore illegal. The next step was to form a new company, the business of which it was to hold the stock of other companies; but the final blow was struck even at this device. It was held, in what is known as the "Northern Securities case," that such a holding company was in restraint of trade, and illegal. What I have indicated are the policy, experience, and decisions under American legislation. We have to remember how relentlessly the United States Courts have pursued trusts and combinations, in spite of all the ingenuity and skill of the greatest commercial intellects in the world. It is true that the American Courts have only been able to discount that ingenuity; but that is no reason why we at the outset of our career, and before combinations and trusts have secured a grasp of the Commonwealth trade, should not take every possible precaution to secure ourselves against the dire contingencies to which I have referred. If we do not curtail the powers and influence of combinations and trusts at the very beginning, they will ultimately become so tyrannical and intolerable as to be an alarming menace to the community.

Senator DE LARGIE.—Will trusts and combinations not grow, no matter how we legislate?

Senator BEST.—They may to some extent; but that is no reason why we should not clip their wings as far as we can. When experience shows that we are unable to effectively deal with trusts and combinations in any one direction, we should take advantage of the opportunity presented to so amend the law as to make it effective, and we should follow these trusts and combinations, as has been done in the United States.

Senator O'KEEFE.—Has the honorable senator considered the alternative of nationalizing such trusts?

Senator BEST.—That course does not meet with my views or approval; but it is a question into which we need not enter at present.

Senator MILLEN.—Six weeks or two months hence will be time enough for that.

Senator BEST.—The Bill has been framed with care, with a view to nullifying all unreasonable restraints, and unreasonable restraints only, on trade and commerce. The suggestion that it may become an engine of oppression, and may inflict all sorts of cruelties, at the hands of the Protectionist Party, is unjust criticism. I should now like to deal with certain other objections which have been raised during the course of my remarks. I desire to show exactly what would have to take place in a prosecution under this Bill—the proofs necessary before a conviction could be obtained under clause 4. Let us take the case of a man who was charged with making or entering into a contract, or, if honorable senators like, with continuing to be a member of, or engaging in, a combination. The first thing that would have to be proved would be that the contract had been entered into. I desire honorable senators to follow me, because I propose to show where presumptions would come in. Then it would have to be proved that the contract had been made with intent to restrain trade or commerce to the detriment of the public. On this point, there would have to be distinct proof—no presumption. In other words, there should be no presumption in criminal cases.

Senator MILLEN.—How does the honorable senator propose to prove intent in a case of the kind?

Senator KEATING.—How is intent proved in any criminal case?

Senator BEST.—Intent will be proved in the same way as in any criminal case.

Senator MILLEN.—By the act and its consequences?

Senator BEST.—By circumstantial evidence, and so forth.

Senator KEATING.—Such proof is essential in every criminal proceeding.

Senator BEST.—Then there would have to be proved the existence of an Australian industry which was going to be destroyed or injured, with intent, by means of unfair competition. This would be a

matter of fact which would have to be proved—no presumption.

Senator MULCAHY.—What constitutes an Australian industry?

Senator BEST.—The honorable senator knows what an Australian industry is.

Senator MULCAHY.—I wish to know the honorable senator's idea.

Senator MILLEN.—Seeing that Senator Best did not know whether any industries existed in New South Wales, he may pardon the question.

Senator MULCAHY.—Does Senator Best mean an industry employing one hand or an industry employing ten hands, 100 hands, or 10,000 hands?

Senator BEST.—It may be, as the honorable senator suggests, an industry employing either ten hands or 10,000 hands. What I am pointing out now is what would have to be distinctly proved in a prosecution. Further proof would have to be forthcoming that the industry threatened was one worth preserving, or, to repeat an expression I used in 1896, not a "polar bear industry." In determining whether the competition was unfair, due regard would, under the Bill, have to be paid to the efficiency of the management, the processes, the plant, and the machinery employed or adopted in the Australian industry. We have now reached the stage at which presumptions would take place. The onus would now be thrown on the defendant of proving, say, that he was not a member of a commercial trust. He would also have to prove that the competition would not probably, or in fact, result in inadequate remuneration of labour in the Australian industry, or create substantial disorganization and throw workers out of employment.

Senator MILLEN.—And if he could not prove that—

Senator BEST.—Then he must suffer. If it were proved that a defendant had come into the Commonwealth with the deliberate design to crush out an Australian industry, he would deserve to suffer.

Senator MULCAHY.—But, supposing the defendant did not come in at all?

Senator BEST.—Then he would not come under clause 4. I would point out that those presumptions in the case of unfair competition would not apply in the event of a charge being laid relating to intent to restrain trade or commerce to the detriment of the public, but only when it could be proved that the intention was

to destroy or injure by means of unfair competition an Australian industry worth preserving.

Senator MILLEN.—As to that, the jury decide.

Senator BEST.—No; by clause 13 there would be no jury except in the case of a second offence. These matters would not be referred to a protectionist tribunal, but would have to be decided by a Judge of the High Court. Clause 13 says—

Any offence against this part of this Act (not being an indictable offence) shall be tried before a Justice of the High Court without a jury.

Then sub-clause 2 provides that—

Any offence against this part of this Act committed by a person who has previously been convicted of any offence against this part of this Act shall be an indictable offence, punishable, on conviction, by a penalty not exceeding £500, or imprisonment for any term not exceeding one year, or both; in the case of a corporation, by a penalty not exceeding £1,000.

So that it will be seen that for the first offence the offender is to be tried by a Judge, and in the event of a second or more cases an indictable offence is committed; and, according to section 80 of the Constitution, an indictable offence has to be tried by a jury. What is more, to show that this process cannot be frivolously resorted to, the Bill provides that—

No criminal proceedings shall be instituted . . . except by the Attorney-General or some person authorized by him;

and

no civil proceedings shall be instituted . . . without the written consent of the Attorney-General.

I would also point out in connexion with the case raised by Senator Millen that where no intention can be proved, but where the objects are such as are set out in clauses 4 and 5—

Senator MULCAHY.—It is impossible to prove an object; you must judge by results.

Senator BEST.—If the Judge is satisfied that the restraint of trade is detrimental to the interests of the Australian public, and that the effect is to destroy by unfair competition an Australian industry worth preserving—that is to say, if he is satisfied in the language of paragraph *a* of clause 10 that the action is—

in restraint of trade or commerce to the detriment of the public—

and if he is satisfied, moreover, that the action is, as a matter of fact—

destructive or injurious by means of unfair competition to any Australian industry, the

preservation of which is advantageous to the Commonwealth, having regard to the interests of producers, workers, and consumers—

then the Judge of the High Court, after judicial inquiry, can issue an injunction. I do not propose to deal at length with an amendment which I intend to propose later on; but I think an amendment should be made to meet certain improper practices in connexion with the system of granting rebates. I will show that there is a definite public opinion on this subject. I have here an extract from the *Dairy Farmer and Agricultural News*, in which it is said—

The notorious Standard Oil Trust evidently means to fight the Commonwealth Government on the Anti-Trust Bill. A few weeks ago it announced the withdrawal of the rebate it gives distributors, provided they make a declaration they have not handled or sold any other oil but the Trust's. This rebate has again been resumed, and officers of the Trust openly jeer at the ability of the Government to suppress illegal monopolistic practices. The Standard Oil Trust is the parent of the evil brood of Trusts now affecting the world. The Harvester Trust is its progeny, and the Deakin Government would become a laughing stock if it allowed its laws to be so openly defied by this monopoly.

There is an improper practice existing by means of which the Standard Oil Trust insists upon the whole of a man's trade being confined to it, and, in the event of that trade being so confined, certain rebates are paid to him. I shall move an amendment upon this point in Committee, to the effect that these practices shall be regarded as *prima facie* unfair competition. I shall confine my further remarks to the clauses relating to dumping. They are contained in part 3 of the Bill. I point out at the beginning that no criminal liability attaches as regards dumping. We have been told during the debate that the effect of the clauses would be to rob consumers of the cheap goods and bargains which hitherto have been a feature of some forms of trading. In my view importers can trade under these clauses just as freely as at present, provided that they do not so trade with the deliberate intention of crushing local industry. Ordinary normal trading, including the selling of cheap goods and bargains subject to the Tariff, may go on precisely the same in future as in the past.

Senator MULCAHY.—A tradesman or merchant never has that intention. His idea is always to make a profit.

Senator BEST.—If he has no deliberate intention of doing so, he will not be affected.

Senator MULCAHY.—What is the good of the clauses, then?

Senator BEST.—They are excellent provisions. If my honorable friend thinks that they will be of no use, he cannot reasonably complain if a number of other honorable senators think that they will be of substantial value.

Senator MULCAHY.—I am not complaining about them.

Senator BEST.—Then I do not realize what the honorable senator's objection is.

Senator MULCAHY.—I wanted to bring out further argument.

Senator BEST.—My contention is that under these provisions trading can go on as hitherto, provided that it is not deliberately injurious to any Australian industry. So much is made clear in clause 19.

Senator DRAKE.—Where does the honorable senator find the word "deliberately"?

Senator BEST. — The word "intent" covers that. The clause provides that—

The Comptroller-General, whenever he has received a complaint in writing, and has reason to believe that any person . . . either singly or in combination . . . is importing into Australia goods . . . with intent to destroy or injure any Australian industry by their sale or disposal in unfair competition with any Australian goods, may certify to the Minister accordingly.

My honorable and learned friend, Senator Symon, said that the goods would be held up. They may or may not be held up. If they are, it will be largely the fault of the importer. First of all, they are not to be held up during the consideration of the matter by the Comptroller-General. It will be his duty to give the importer notice to enable him, if he can, to clear himself. If he does not, the certificate of the Comptroller-General will go on to the Minister.

Senator MILLEN. — The goods would be held up because the importer could not pass them through the Customs.

Senator BEST.—According to my view there is nothing in the Bill which says that the goods shall be held up while the Comptroller-General is acting.

Senator MILLEN.—The Customs will refuse to give clearance.

Senator BEST.—Whatever powers the Customs possess they may exercise, but I am talking about this Bill. There is nothing in it which says that the goods may be held up.

Senator MILLEN.—If the goods may be cleared from the Customs, what is the use of subsequent action?

Senator MACFARLANE.—Clause 20 says that they shall not be imported.

Senator BEST.—That is after the Minister has come to the determination to refer the matter to a Judge of the High Court. The next point is that if the importer wishes to have his goods he can give a bond. Then he can continue his trade as hitherto. I point out, further, that the Judge is to be guided by—

good conscience and the substantial merits of the case without recourse to legal forms and technicalities, or whether the evidence before him is in accordance with the law of evidence or not.

The question which the Judge will have to decide is whether the goods are being imported with the intention alleged, and if so, whether the importation should be prohibited absolutely or limited. If we are ready to commit to our Courts the decision of our various differences on other business matters, and if we have confidence in their justice, why cannot we trust them to say whether these goods are being imported with the view of injuring any Australian industry, or not? Surely the decision of the Court on a matter of that kind may be reasonably and fairly accepted. I will conclude by a few remarks in reference to what was said by Senator Symon upon the wording of clause 21. That clause says that—

The Justice shall proceed to expeditiously and carefully investigate and determine the matter.

Senator Symon observed that to talk of a Judge of the Supreme Court in that fashion was not complimentary or courteous. But it is a coincidence that the same words are used in an Act which Senator Symon himself ultimately put through this Legislature. In section 23 of the Conciliation and Arbitration Act, those very words are used—

The Court shall in such manner as it thinks fit carefully and expeditiously hear, inquire into, and investigate every industrial dispute of which it has cognisance.

So that when Senator Symon takes exception to the words used in the Bill before us, it is a fair retort that he is at least equally responsible for the same words being used in this Act.

Senator DRAKE.—He merely took control of that measure; it was not drafted by him.

Senator BEST.—At any rate, he put it through.

Senator O'KEEFE.—He and his Government were afraid not to put it through.

Senator BEST.—In concluding, I simply point out that, as the result of investigation and careful thought, I have come to the conclusion that this is not a measure from which the disasters that have been predicted will accrue, but that it is a fair and reasonable precautionary measure, which it is wise that we should adopt. It is complementary to the system of protection that already exists in the Commonwealth. According to my view, it is therefore wise and prudent to thus further protect our industries, and I think that, with possibly a few verbal exceptions, the Bill can be commended as one which is in the best interests of the Commonwealth.

Senator DRAKE (Queensland) [4.31].—The operation of trusts and rings is now a world's problem. It has attracted a great deal of attention, not only in Great Britain and Australia, but also in, and perhaps principally in, the United States of America. But even there, although they have had three Acts on the subject, they have not yet arrived at a true solution of the difficulty. They have only succeeded in a very partial manner in interfering with the operations of the trusts and combines in that country.

Senator FINDLEY.—But the Socialists are moving in the right direction, too.

Senator DRAKE.—What the Socialists desire is to nationalize the monopolies held by the great trusts, because they say that then they would be carried on in the interests of the public only. The opinion which is held by the President of the Republic, and I believe by very many of the earnest thinkers in the United States, is that, while it seems to be almost impossible to overcome the operations of these trusts, if they cannot be abolished they can be controlled by law, and that will be, I think, the true solution. This question has naturally engaged the attention of the Commonwealth Government, almost from the first, and a great deal of attention was drawn to it at the time when the Tariff was passing through Parliament. It was argued frequently by those who were opposed to protective duties that, under the operation of protection, rings and trusts would be formed, which would have a tendency to raise prices to the consumer, and various

suggestions were made as to the means which might be taken to overcome any such tendency. There is one remedy which appears at first sight to be almost obvious, but when it is looked into it is found to be attended by such disadvantages that it has to be put on one side. It has been pointed out that under the operation of a high protective Tariff manufacturers or producers might combine together and raise the prices of articles right up to the limit at which they could be imported. And it has been urged that the natural remedy in that case would be, either by Act of Parliament or by Executive action under the authority of an Act of Parliament, to lower the duty until the operations of the combination had been met—that is to say, to compel a reduction to lower prices to the consumer by allowing the goods to come in at a reduced duty. That looks like an obvious remedy. But it is open to two almost insuperable objections. One objection is that, in endeavouring to defeat the operations of a ring by that means, we should be destroying smaller men in the same trade, who, perhaps, were being equally crushed by the ring; and the second objection is that if we succeeded in defeating the ring, we should probably be injuring our own producers and manufacturers by admitting importations which were the produce of a big ring outside. I believe that no means have yet been devised to meet rings operating in that way to the disadvantage of the consumer. If they have been devised, I should very much like to know what they are. These are the rings and combinations which, it seems to me, we should be most earnest and anxious to endeavour to defeat, if possible. I shall show directly that they are not dealt with in any efficient manner in the Bill, and perhaps we have not power to do it. When I was in England, thirteen or fourteen years ago, there was brought under my personal notice an instance of the operation of one of these rings or combines, such as I think ought to be dealt with in some way. In the depth of winter, when the thermometer fell 20 degrees below freezing point, the price of coal suddenly went up, owing, I was told—and I do not doubt the statement—to a combination on the part of the coal merchants when it was in great demand. I saw the carts going about the streets of London, and selling coal in sixpenny worths and threepenny worths to poor people. In that way the

Senator Drake.

price of coal was raised to the poorest of the poor at the very time when the severe cold was compelling them to part with almost their last pence in order to purchase fuel. That is the sort of combine upon which I think all the resources of civilization should be brought to bear.

Senator FRASER.—If we could.

Senator DRAKE.—Yes; if we could.

Senator O'KEEFE.—Even to the extent of nationalization.

Senator DRAKE.—No, because that would not be necessary. I should justify any Government action which would enable the necessities of life to be conveyed to poor people at a reasonable rate, if they were being withheld from them by a combination.

Senator FINDLEY.—Bad as that is, it is not so bad as a corner in the essentials of life—in, for instance, wheat.

Senator DRAKE.—Combinations, I have no doubt, are formed in the same way in regard to wheat, some of them so large that perhaps they would not be touched under the Bill. I do not know whether they would or would not be. Any combination to raise the price of the necessities of life would not be met by the Bill, for this reason: that its operations would always be confined within a State. Where the object was to raise the price in a retail market it would not be a matter of a combine extending from State to State. It would be a combine within a State, and would not be dealt with under the measure.

Senator GUTHRIE.—Probably it would consist of one man.

Senator DRAKE.—I do not think that one man could do it.

Senator BEST.—But a corporation could.

Senator DRAKE.—That would be hardly probable. It would be more likely to be a combination of a number of corporations or a number of individuals for that express purpose. When the necessities of the poor were greatest they would raise the prices.

Senator O'KEEFE.—Does the honorable senator say that, if half-a-dozen coal merchants in Melbourne were to do that, they would not come under the scope of the Bill?

Senator DRAKE.—Certainly they would not.

Senator TRENWITH.—Why?

Senator DRAKE.—Because in clauses 5 and 7, dealing with persons combining, there is no limitation. It only deals with the case of trade or commerce among the States, or with countries outside Australia.

Senator BEST.—Pardon me; look at paragraph 20 of section 51 of the Constitution.

Senator DRAKE.—The Bill purports to give power to deal with a case like that, if the operations are being carried on by a foreign corporation, and not by a British corporation. I wish to make it perfectly clear that the combinations I have referred to cannot be dealt with under the Bill, because they would be operating within a State. Let me now deal with Senator Best's point about the Constitution. The Government and the draftsman of the Bill must have taken the view that is taken by the honorable and learned senator with regard to the power given to us in the Constitution to deal with foreign corporations. Section 51 tells us what our powers are. It says—

The Parliament shall, subject to this Constitution, have power to make laws for the peace, order, and good government of the Commonwealth with respect to—

(1.) Trade and commerce with other countries and among the States.

I contend that in this paragraph are included the whole of our powers to deal with trade and commerce with other countries and among the States. If it were otherwise, the framers of the Constitution would have extended the paragraph, and made the limitation less severe. They would have told us what other powers of trade and commerce we had. But as they give in that paragraph no powers in regard to trade or commerce, except with other countries and among the States, I contend that those are all the powers we have. Of course, I quite agree that if we found any subsequent provision in the Constitution which clearly contradicted that, and gave us any other power with regard to trade and commerce, then, following the well-known rule of interpretation, the latter would prevail, and our power would be increased. But we are not to assume, when we find a subsequent provision which may be regarded as somewhat ambiguous, that the intention of the framers of the Constitution was to extend the powers given in paragraph 1. of section 51. I now come to paragraph xx.

of that section, under which we have the right—

To make laws for the peace, order, and good government of the Commonwealth with respect to—

(xx.) Foreign corporations, and trading or financial corporations formed within the limits of the Commonwealth.

The Government and Senator Best have taken the view that under that paragraph we have power to deal with all matters connected with the trade and commerce of foreign corporations. I suppose that at some time or other the point will come before the High Court for decision.

Senator BEST.—What meaning does the honorable and learned senator attach to "trading"?

Senator DRAKE.—My interpretation of the paragraph is that it gives all the necessary power to make laws corresponding with the Companies Acts which have been passed in the various States, and which contain provisions regarding the formation of corporations, the way in which the shares shall be held, the number of officers who shall be appointed, whether there shall be a registered office, and all those other provisions which are necessary to identify a corporation, and make it a corporate body which can sue and be sued. Foreign corporations are mentioned specially, as well as trading and financial institutions, which are British institutions, because it is well known that in the case of foreign corporations it is necessary to have some different provision, in consequence of the fact that the bulk of their capital is held outside of Australia.

Senator KEATING.—Have we no further powers with regard to foreign corporations and trading and financial corporations within the Commonwealth than those which the States had exercised at the time of the passing of the Constitution?

Senator DRAKE.—I should think not.

Senator MILLEN.—Than those which the States had exercised or might have exercised.

Senator DRAKE.—Yes, that is so.

Senator KEATING.—They might have exercised these powers.

Senator DRAKE.—Not with regard to the whole of Australia.

Senator KEATING. — No; each State within its own borders.

Senator DRAKE.—Each of the States, up to the time of the formation of the Commonwealth, had passed Companies

Acts and Foreign Companies Acts dealing with these matters. The Constitution now gives us power to make laws of the same character with regard to the Commonwealth for foreign corporations or for British corporations.

Senator TRENWITH.—To make laws "for the peace, order, and good government of the Commonwealth."

Senator DRAKE.—Senator Best's interpretation would land us in this position: That the Imperial Parliament, in granting us our Constitution, gave us the power to discriminate in trade matters between a British corporation and a foreign corporation doing business within a State. That is unthinkable. When in the Constitution, from first to last, we draw so clear a dividing line between Commonwealth and States interests, and endeavour, wherever possible, to leave States interests to the States Governments, it is unthinkable that, while preventing us from making any difference between a British and a foreign trader within a State, it should give us the power to discriminate between a British corporation and a foreign corporation within the Commonwealth.

Senator KEATING.—What is the honorable and learned senator's interpretation of the expression "foreign corporation."

Senator DRAKE.—I understand that paragraph xx. gives us the power to make laws of the nature of the Companies Acts which have been passed, I think, in all of the States, to provide for the way in which such corporations shall be represented here, where they shall have their offices, and possibly whether they shall be called upon to give security.

Senator MCGREGOR.—Is not a British corporation a "foreign corporation" within the meaning of the paragraph?

Senator KEATING.—Does not "foreign corporation" include all non-Australian corporations?

Senator DRAKE.—I beg the honorable and learned senator's pardon. I misunderstood his objection. "Foreign" means "non-Australian," certainly. As I read the paragraph, it refers to all those matters which are dealt with in the Companies Acts which have been passed in the various States. The matter is not being discussed now for the first time. My contention is that, under paragraph 1 of section 51, our powers with respect to trade and commerce are limited to trade and commerce with other countries and among the States, and

paragraph xx. does not give us any additional power with regard to trade and commerce. It does not involve any alteration of the limitation of our powers with respect to trade and commerce, but simply provides for legislation with respect to those matters already embodied in the companies laws of the States. Paragraph xx. provides that we may deal with foreign corporations and trading or financial corporations in the way in which they are dealt with in the Companies Acts of the various States. In Queensland we have Companies Acts and British Companies Acts, and I suppose the same may be said of Victoria. Only a few years ago an Act was passed in Queensland amending the British Companies Act, and making some alterations with regard to the status of such companies. The view I take is that this simply refers to the status of these particular corporations.

Senator KEATING.—Does the honorable and learned senator not think that that would have been expressed if it had been intended?

Senator DRAKE.—I think that it is perfectly clear, and that, if the other view had been intended, it would have been stated. I think that, if it had been intended that trade and commerce, as referred to in section 51, should not be limited to trade and commerce between the States and with foreign countries, that would have been stated. It has not been so stated. However, there is little use in talking at length on this matter. We might talk for a month on this particular question without agreement, and the High Court will eventually have to decide it.

Senator KEATING.—I have no desire to interrupt the honorable senator, but he will allow me to say something by way of illustration. It was only a very few years before the Commonwealth came into existence that we began to legislate in the States in anyway with regard to a director's personal liability. It might be that in the next ten or fifteen years some alteration of companies legislation of that character might be necessary. Does the honorable and learned senator contend that we could not introduce that legislation?

Senator DRAKE.—Certainly we could, under paragraph xx. of section 51. We had a British and Foreign Companies Act passed in Queensland only a few years ago.

Senator KEATING.—How does the honorable and learned senator draw the dividing line as to our powers? Does he contend

that they are those which were exercised by the States at the time of the establishment of the Commonwealth?

Senator DRAKE.—I should say so. In the same way, it will be remembered that I argued with regard to trade marks that the definition which we must accept, is the meaning under British law attached to the term "trade mark," at the time the Constitution was passed.

Senator KEATING.—That is precisely analogous. I hold the contrary view.

Senator DRAKE.—I am aware that the honorable and learned senator does.

Senator BEST. — Suppose paragraph 1 were not there, how would the honorable and learned senator then read paragraph xx.? He must know that each of the sub-sections confers separate jurisdiction.

Senator DRAKE. — We must read each paragraph with reference to the others.

Senator BEST.—That is not my view.

Senator DRAKE.—We must always remember that the Constitution must be interpreted as a whole.

Senator BEST.—Section 51 includes paragraphs 1. to xxxix., and each confers separate jurisdiction.

Senator DRAKE.—Generally speaking, each paragraph deals with a separate matter. Paragraph 1. deals with trade and commerce, and paragraph xx. with a separate subject.

Senator BEST.—But each is complete in itself.

Senator O'KEEFE.—This dialogue between two lawyers who flatly contradict each other, is very interesting.

The PRESIDENT.—I ask honorable senators to allow Senator Drake to continue without interruption.

Senator DRAKE.—I hope that I have made it clear that this Bill does not deal with the particular kind of combination which I think is most objectionable. But all through the measure it is very clear that there is an effort made to prevent combinations from reducing prices to the consumer. Remembering, the discussions which have taken place here with respect to harvesters and such things, there can be no doubt that the main object of the Bill is to prevent combinations which would reduce prices in such a way as would compel local competitors to reduce their prices also, and render them unable to pay the rate of wages and to comply with the conditions we require for our Australian workers. It cannot be

doubted that that is the main object of the Bill. We are seeking to repress combinations in restraint of trade, and behind the Bill there seems to be a combination between the workers in certain specific trades and the capitalists carrying on those trades, to raise prices to the consumer, and to share the profits between them.

Senator MULCAHY.—Or to prevent prices being reduced.

Senator DRAKE.—Yes, or to prevent prices being reduced.

Senator MULCAHY.—Has the honorable and learned senator gone into the question of the legality of our attempting to settle wages by this Bill?

Senator DRAKE.—There is no provision to deal with wages in this Bill. They are dealt with by Factories Acts and Wages Boards.

Senator MULCAHY.—They are dealt with also in this Bill.

Senator MILLEN.—There is no provision in the Bill dealing with wages, but if wages are disturbed by outside competition, that is to be a factor for consideration.

Senator MULCAHY.—Is not that an indirect way of dealing with wages?

Senator DRAKE.—It is not likely that any such reduction as that would be brought about to any considerable extent by a combination within the Commonwealth. It is more likely that the lowering of prices to the consumer, which would affect Australian industries injuriously, as contemplated by the Bill, would arise from importation. Therefore, we have to look more particularly to what are called the "dumping" clauses of the Bill. Dumping may be of two kinds. There is the dumping which consists in the practice generally adopted by manufacturers of sending their surplus products to some other country, and selling them there at the highest price they can get, and if they cannot get the price they desire, at whatever they will fetch. That is the form of dumping which is carried on very largely by ourselves in our butter and meat exporting industries. In the course of the debate we have heard a great deal about manufacturing industries, harvesters, and so on, and suppose, for a change, we turn our attention to mutton and beef. These are the particular articles in which my constituents are more directly interested. We send our meat to the English market, and sell it for what it will fetch.

Senator MILLEN.—We dump it there.

Senator DRAKE.—We dump it. I am sorry to say that very often, in consequence of the state of the Home market, it fetches very low prices indeed. But week by week our beef and mutton is poured into the London market.

Senator MILLEN.—Dumped.

Senator DRAKE.—“Dumped,” if the honorable senator pleases. If honorable senators will look at the trade circulars they will see that the prices realized are sometimes very low indeed. We do not like that, but we accept it as in the natural order of things. I do not know whether the people engaged in the cattle industry in the United Kingdom like the importation of our meat in large quantities, but they do not appear to complain of it. We have been very anxious to find a market for our meat on the Continent of Europe, and we have considered ourselves very harshly treated by France, Austria, and Germany, because we have been practically kept out of their markets by means of their hostile tariffs. I have no doubt that we should be very pleased if representations were made to the Governments of those countries asking them not to interfere with our practice of dumping meat in foreign markets. It would certainly look strange if we were to make such a request, and accompany it with this Bill.

Senator DE LARGIE.—Have the people of the old country ever made any objection to our sending them food stuffs?

Senator DRAKE.—None whatever; but we have been dumping our produce, and this must be against the interests of the people engaged in the old country in these particular trades. But, supposing the people at Home did raise some objection, what should we be able to say then, in view of this Bill? I have not the slightest doubt that if we took the opinion of the people of Australia generally, as to whether they were in favour of an International law against dumping, it would prove to be an adverse opinion. They would say that they preferred to keep the power to dump their produce wherever they chose; and certainly the interests of our people, in connexion with this power or permission to sell their produce in any market for what it will fetch, are much larger than the interests sought to be considered by the Bill.

Senator DE LARGIE.—The honorable senator must admit that it is rather a far-fetched illustration to use the word “dump-

ing” in relation to the sending of food stuffs to the old country.

Senator DRAKE.—I do not make any such admission. What we send to the old country is our surplus, and we sell it for what it will fetch in competition with the beef and mutton producers there. If a man engaged in this particular industry at Home, went to Smithfield and saw his produce selling at 1d. per lb. less than it would have brought had he had possession of the whole market, could we not understand him using the same arguments that are advanced in support of this Bill? Could that man not say that the dumping of produce on the market reduced the value of his productions, and prevented him from paying wages and complying with the conditions of labour he would like to observe?

Senator DE LARGIE.—The most rabid protectionist in the old country has never applied the word “dumping” in the sense in which it is being used by the honorable senator.

Senator MILLEN.—But protectionists at Home have asked for protection time and again.

Senator DRAKE.—We have seen the time when free-trade was so worshipped in Great Britain that a man scarcely dared acknowledge himself a protectionist. Evidently the tide has now absolutely turned; and the people of England may yet be as ardently protectionists as they were free-traders when I was a young man. Events march rapidly nowadays, and it is not at all impossible that five, ten, or twenty years hence, when this Bill is in operation, the men engaged in the grazing industry in England, may complain about the dumping of our beef and mutton on their market?

Senator FRASER.—But the vast population at Home desire cheap beef and mutton.

Senator PLAYFORD.—Such importations would not be against the interests of the public of England.

Senator DRAKE.—They would be against the interests of a section of the public.

Senator TRENWITH. — Whenever the people of England are distressed by the dumping of goods they will object.

Senator DRAKE.—We must remember that we are a Federation of States, and that our legislation should, as far as possible, be in the interests of the whole of Australia, and not of any one State only. I do not say that we should not pass a law

because it would give greater benefit to one State than to another.

Senator TRENWITH.—That cannot always be avoided.

Senator DRAKE. — That is so; but, still, the interests of the whole of the States ought to be fairly considered. There is no doubt that this Bill—and I do not say this with any feeling of unfriendliness—is really in the interests of the people of Victoria, because that State is at present the manufacturing centre.

Senator PULSFORD.—In the interests of one man in Victoria.

Senator DRAKE.—I shall not discuss that point. It is nearly a year since the cry was raised about the "strangled industries" of Victoria, and we were told that measures were necessary for their rescue. The Bill before us is, I think, intended to come to the relief of some industry, which is said to be not so prosperous as those engaged in it would like it to be, but which is certainly not in an unprosperous condition. One honorable senator, in the course of the debate, has quoted statistics showing the increased number of hands employed in the factories of Victoria since Federation. I am very glad to hear of that success, because it affords a justification of our Federal conditions, and the Tariff we all assisted to pass. But it must be remembered that this great prosperity in Victoria has to a great extent been obtained at the cost of some of the other States. I have not the figures here, but there has been a continual falling off in the number of hands employed in manufacturing in Queensland from the time of Federation.

Senator PLAYFORD.—The Federal Tariff is much lower than the State Tariff was.

Senator DRAKE.—We had a very high Tariff in Queensland prior to Federation.

Senator TRENWITH. — It was the next highest to that of South Australia.

Senator DRAKE.—Quite so; and the result in Queensland has been that the importations from the south, more particularly from Victoria, have taken the place of goods which previously were imported from overseas. This hits Queensland in two ways. In the first place, it restricts our manufacturing operations and closes our factories; and, in the second place, it deprives the State Treasurer of the revenue which formerly resulted from the duties on the imported goods. I am not stating these facts by way of complaint, and I do

not believe that my constituents would complain, because what is disclosed is the natural operation of a uniform Tariff. We consented to that Tariff for the benefit of the whole of Australia, without taking into consideration the effect it might have in Queensland. But is it not strange that, under these circumstances, the State that has derived most advantage from the Tariff should now be crying out about "strangled industries," and urging for a Bill of this kind, which confers such extraordinary powers? This is a Bill which ostensibly has a general application, but which is clearly intended to have a partial one.

Senator PLAYFORD.—I think the honorable senator was a member of a Ministry which agreed to bring in such a Bill.

Senator DRAKE.—No; never!

Senator PLAYFORD.—I fancy that such a Bill was mentioned in the Governor's speech when he was a member of the Government.

Senator DRAKE.—That was an Anti-Trust Bill.

Senator PLAYFORD.—This in an Anti-Trust Bill.

Senator DRAKE.—There were no such provisions in that Bill as we find in the Bill before us. I have never been a party to a Bill of this kind. This measure will never be used in order to assist an industry in any of the outside States.

Senator TRENWITH.—What does the honorable senator mean by "outside States"?

Senator DRAKE.—I mean such States as Queensland and Western Australia, which, in a manufacturing sense, are outside; that is, they are away from the centre. Supposing there were a growing industry in Queensland, and that it was in some danger in consequence of dumping, would there be the slightest chance of getting any assistance under this Bill at the hands of the Minister of Trade and Customs?

Senator TRENWITH.—Why not?

Senator DRAKE.—I know very well why not. If, for instance, there was a coffee-growing industry in Queensland carried on by means of white labour—

Senator PLAYFORD.—Then there would be a bonus.

Senator DRAKE.—Yes; a bonus of a whole rd. per lb., given on condition that white labour was employed at the usual wages, and on the usual conditions.

Senator TRENWITH.—That bonus would represent about one-sixth of the value.

Senator DRAKE.—Not nearly.

Senator MILLEN.—That would be equivalent to a duty of 15 per cent.; compare it with the duties advocated by Senator Trenwith!

Senator TRENWITH.—But the 1d. per lb. would be a bonus and not a duty.

Senator DRAKE.—I do not desire now to discuss the merits of such a case; but assuming that the importation of coffee had made it impossible to carry on the industry in Queensland, even with the bonus of 1d., does any one suppose that the importation of coffee into Victoria and New South Wales would be stopped?

Senator TRENWITH.—Yes, if good cause could be shown as in any other case.

Senator DRAKE.—I am strongly of opinion that if the people of Queensland made any such application, the answer would be that the question of coffee growing had been before Parliament, that a duty had been imposed on imported coffee, that a bonus had been granted, and that that was sufficient.

Senator BEST.—There has been no ungenerous treatment of Queensland so far as the sugar industry is concerned.

Senator DRAKE.—I never said there had been. What is the use of introducing that question, which has been dealt with by Parliament by means of an Excise duty and a bonus?

Senator TRENWITH.—And now we propose to deal with that industry by means of another legislative act.

Senator DRAKE.—By prohibition.

Senator TRENWITH.—No.

Senator DRAKE.—The Bill means prohibition, and it is unreasonable to suppose that any Government would stop the importation of such an article as coffee into the southern States of Australia because that importation was interfering with an industry in Northern Queensland.

Senator TRENWITH.—We have stopped the importation of sugar, subject to certain conditions.

Senator DRAKE.—No, there is only the duty.

Senator TRENWITH.—Subject to certain conditions; and that is all that would be done in the case of other trades.

Senator DRAKE.—As a protectionist, I was in favour of higher duties, which I have always voted for, because I consider they represent the proper method of dealing with these matters. I have no desire to discuss fiscalism more than I can help, but I must say that this Bill

means prohibition if it means anything; if it operates at all, it must operate by prohibition. I do not quite appreciate Senator Best's nice distinction between stopping an article and preventing it from passing the Customs until security has been given for the whole of its value.

Senator BEST.—These are the terms of the Bill.

Senator DRAKE.—The question to be decided by the Justice would be whether, for certain reasons, an article should be declared prohibited; and, if such a declaration were made, then all the consequences would follow. If the article had gone into consumption, then the persons who had given the security would lose their money.

Senator BEST.—What are the findings of the Justice to be first?

Senator DRAKE.—What I said was that if the Bill operates at all it means prohibition.

Senator BEST.—In certain circumstances, yes.

Senator DRAKE.—It is of no use to interrupt me by saying that the Justice may find that it is not unfair competition. Now, I want to say something on the question of protection. I have always held that protection means the adoption of a scale of duties that will insure fair competition, having regard to the rate of wages that we pay and our standard of living. But I have never understood protection to mean such duties as will absolutely exclude competition from outside. That is a very important point. I think that protectionists in supporting a measure of this kind are giving up one of the most powerful arguments they have. If one reads *Carey*, who is the most philosophical writer on protection that America has produced—though he is now considered, perhaps, a little out of date—one finds that he, and almost all the other writers of his school, argue that protection does not raise prices to the consumer. I dare say that my honorable friend Senator Trenwith has often used that argument.

Senator TRENWITH.—Hear, hear! I go further, and say that it reduces prices to the consumer.

Senator DRAKE.—In what way? What is the safeguard which the consumer has? It is that the adoption of a system of protection in a country creates competition between the goods produced outside and those produced by the local manufacturers.

Senator TRENWITH.—No; it creates internal competition, which is more effective than any external competition can be.

Senator DRAKE.—I differ from the honorable senator, and the great protectionist writers differ from him also in that respect. Their argument is that the competition which insures cheapness for the consumer is that which arises between the goods manufactured outside and the goods locally produced. It is that competition which insures that prices will not be unduly raised to the consumer. This Bill, so far as it operates at all, will deprive us of that advantage altogether. The protectionists are losing the very argument that Senator Trenwith and others have often put before the public to convince them of the soundness of their policy. The Bill means keeping foreign goods out of the country altogether when they appear to injure an internal industry. That means, consequently, doing away with the competition upon which the consumer has mainly to depend to insure that prices will not be unduly raised against him. I should like to point out that sub-clause 3 of clause 18 is distinctly ambiguous. I was very doubtful as to its meaning when I first read it, and I notice that some speakers have interpreted it in one way and some in another. The sub-clause reads—

In determining whether the competition is unfair, regard shall be had to the efficiency of the management, the processes, the plant, and the machinery employed or adopted in the Australian industry affected by the competition.

I understand that the position of the Government is that that provision means that it shall not be deemed that there is "unfair competition" if the local factories are not up-to-date. If that is what the clause is intended to convey the meaning should be made clear. It is so ambiguous in its present form that it might be read to mean that especial tenderness is to be shown to an industry that is working under very different conditions.

Senator TRENWITH.—Is not that a question for settlement in Committee?

Senator DRAKE.—It is a question for Committee; but we range through a Bill on the motion for the second reading, and generally direct attention to matters that are not clear. It seems to me that the sub-clause ought to be made to read that there shall be no unfair competition unless the industry is carried on under the most modern conditions. If that is what is really

meant, I have no objection to the sub-clause. Otherwise, the prohibition spoken of in the Bill would be most injurious. It would be running protection up to the extreme of prohibition in such a way as to enable a local factory to be carried on under conditions that were out-of-date. Protection should never be carried to that extent, or a distinct premium would be given to factories to work with old machinery, and to use out-of-date processes. No nation at the present day can afford to do that. The world is growing smaller and smaller, and we should soon drop behind entirely in the race if we did not adopt the most modern appliances and the most up-to-date machinery. The provision will operate most unfairly, if it operates at all, in regard to a State like Queensland. Suppose that we wanted foreign coffee to be prohibited for the benefit of a small coffee industry in Queensland.

Senator PLAYFORD.—If it were a small industry it could not supply the whole of the wants of the Commonwealth. The importation of coffee would not be prohibited for the benefit of a small industry like that. It would be absurd. We should stop all coffee drinking if we did that.

Senator DRAKE.—Then, is this Bill only going to affect manufacturing industries that are prepared to supply the whole of the wants of Australia?

Senator PLAYFORD.—In a question of food like that, I should say so.

Senator DRAKE.—If that be so, the Bill can only be intended for the benefit of some manufacturing industries in Victoria that consider themselves capable of supplying all Australia. The small man may struggle on and perish. This Bill will not help him. It will only affect industries that are capable of supplying the trade of the whole Commonwealth. Yet this is a Bill to suppress monopolies! If that be so, my objection to the Bill is even stronger than ever. Let me show how it will operate. Take the case of galvanized iron. I believe that there is a galvanized iron-making industry in New South Wales. There may be such an industry in Victoria. I will assume that there is a local combination or ring which is prepared to supply the wants of all Australia under certain conditions.

Senator BEST.—The Bill does not say anything about that.

Senator DRAKE.—That is what the Minister says.

Senator BEST.—He did not mean it literally.

Senator DRAKE.—We will suppose that the Bill is intended to assist concerns that are small at the present time, but which may grow until they are able to supply the wants of all Australia. Galvanized iron is an article that is largely used as a roofing material in Northern Queensland. Suppose that the people engaged in making galvanized iron complained to the Minister that the importations were preventing them from carrying on their industry at the rate of wages they were paying, and under the conditions they were maintaining; and suppose that they asked the Minister to prohibit those importations. If the Minister took any action he would have to put a notice in the *Gazette*. From the time it was inserted the importation of galvanized iron would be practically stopped. It could only go into consumption if the person importing gave security practically to the value of his importations. What that amounts to is this: The factory that is manufacturing galvanized iron is not able at present to supply the whole of Australia. It merely hopes to be able to do so, if it gets a monopoly. But the people in Northern Queensland want this material for building purposes. They have entered into building contracts. They want roofs to cover their heads. They, however, cannot get the material they require, because a little factory, say in Victoria, finds that it cannot stand the competition from outside, and has asked the Minister to put this Bill into operation. The Minister cannot put it into operation partially and stop the importation of galvanized iron into Victoria, so as to give the Victorian factory a start at the expense of the people of this State. If he acts at all, he has to prohibit the importation into the whole Commonwealth.

Senator PLAYFORD.—He has to act under clause 17.

Senator DRAKE.—If there is a manufacturer who is paying ordinary Australian rates of wages, and working under ordinary conditions, but finds that he cannot carry on in the face of the foreign competition, can he not apply to the Minister?

Senator PLAYFORD.—The consumers have to be considered, and the Minister would know that the consumers in Queensland would be affected. All that has to be taken into consideration. The honorable sena-

tor is arguing as though the interests of the consumers would not be considered.

Senator DRAKE.—What are the consumers' interests? According to Senator Trenwith, galvanized iron would become cheaper if the one factory secured a monopoly of the trade. The argument of those interested in the industry would be, "Give us prohibition now, and eventually our article will be cheaper to the consumer than it is at present." The point which I am dealing with is: What is going to happen after the notification is put in the *Gazette*? Will the one factory be able to supply all the demands of the States? Certainly it will not be able to supply them except at prohibitive rates for a long time. In the meantime the people will be put to the greatest possible inconvenience. If that is the way the Bill is to operate it is not fair, equitable, and reasonable to all the States of the Commonwealth, and, seeing that Victoria, of all the States, has benefited most from our protective Tariff, I think it comes with a very bad grace that she should ask for a Bill that gives her absolute prohibition. It is a very unfortunate thing from the protectionist point of view that this should be done. If there were a particular reason for prohibiting the importation of an article the matter could certainly be dealt with by Parliament. There is the case of the Harvester Trust, which has been before the country for twelve months, and Parliament is now in session. The second part of my definition of dumping is, where a big ring or organization outside deliberately sets itself to destroy an industry, and to do that sends in its goods, probably at less than cost price; and then, having obtained a command of the market—

Senator PLAYFORD. — That is what the Bill is intended to meet.

Senator DRAKE.—If that is all that the Bill is intended to meet, there is no reason why a case of that kind should not be brought before Parliament.

Senator PLAYFORD.—After the mischief is done!

Senator DRAKE.—In the very matter of harvesters, we hear now that probably an application will be made by the Government to Parliament to deal with it in another way. The managers of the biggest organization which could be named could not, by sending in one, two, three, or four shipments, crush a local industry. They have a capital amounting to millions sterling. They know that they would have to

carry on the business of sending in their goods at a lower price for, perhaps, three or four years before they could destroy a local industry. If so, why cannot a case of that kind be dealt with by Parliament?

Senator TRENWITH.—Will not this Bill deal with it?

Senator DRAKE.—No; it will allow the Minister and a Judge to deal with such a case, and that is where the mischief comes in. If the Government could come down and prove that such an attempt was being made, Parliament could, if it liked, deal with the case efficiently. The reason why the subject is dealt with in the form of a Bill is because the protectionists think that by that means they will be able to get the Minister to do what Parliament itself would not do.

Senator GUTHRIE. — But the Minister would be responsible to Parliament.

Senator DRAKE.—We have heard that statement over and over again. But Ministers do a number of things of which Parliament does not approve. I must remind honorable senators that, although the unwritten law in regard to impeachment has never been repealed, it has fallen into disuse.

Senator TRENWITH. — It is practically dead, because there is a more effective method available.

Senator GUTHRIE.—We have another power, that of turning Ministers out of office.

Senator DRAKE.—I think that, in the interests of the Commonwealth as a whole, the prohibition of goods should be left to Parliament, and not in any case to the Minister of Trade and Customs. Only one case, and that a hypothetical case, has been brought before Parliament; and there is no reason why it should not say exactly what course it considers justifiable. If it can be shown that there is an effort on the part of manufacturers in any country to deliberately destroy one of our industries, then it should be met by the ordinary method of increasing the protective duty. I see no reason to provide for prohibition of imports. I have given a reason which I think will justify me in voting against the Bill.

Senator PLAYFORD.—Against the whole of the Bill?

Senator DRAKE.—I shall vote against the second reading of the Bill.

Senator TRENWITH.—The first part is really an Anti-Trust Bill.

Senator DRAKE.—It does not touch the case which I consider ought to be dealt with by the Government. It does not deal with combinations to raise prices against the consumers.

Senator DOBSON.—Surely it does.

Senator PLAYFORD. — Undoubtedly it does.

Senator DRAKE.—Not within a State. I have gone all through the Bill. A combination to raise prices to the consumers in the retail market must almost of necessity be formed within a State. It is almost impossible to conceive of a case of merchants or owners in more States than one coming together to raise prices to the consumers. In every case where an effort was made to raise prices, it would be made by a local combination acting on a local market.

Senator DOBSON.—It would be just the reverse. I do not think that a combination within one State could do much damage to the consumer.

Senator DRAKE.—The honorable senator was not here when I commenced my remarks.

Senator DOBSON.—Yes, I was.

Senator DRAKE.—I cannot conceive of a combination extending over several States for the purpose of raising the prices of the necessities of life to the consumers.

Senator DOBSON.—It is done all over America.

Senator DRAKE.—Perhaps the honorable senator will be able to tell us how he would deal with a combination that arose within a State? Because, if the law could touch men in several States who combined together, we may be perfectly sure that they would not form a combination which would bring them under its provisions.

Senator DOBSON.—I believe that the honorable senator is right as to the law, but I do not think that a combination within a State would do the damage which he fears.

Senator DRAKE. — A combination formed within a State to raise the prices of articles, especially necessities of life, to the consumer, would certainly be operative however injurious it might be. These are the combinations which I want to see touched by the Bill. There is a further reason why I should vote against its second reading, but it does not apply to honorable senators generally. When the first Deakin Government went to the country at the end of 1903 we did so on a policy of fiscal peace. I

addressed perhaps a dozen meetings, more particularly in New South Wales, at which I advocated fiscal peace. I do not know whether I went beyond the views of the Government, but I told the audiences that fiscal peace meant a period of rest from fiscal toil for the duration of the Parliament then about to be elected.

Senator PLAYFORD.—Yet that Government appointed a Royal Commission to open up the subject.

Senator DRAKE.—That was a most proper thing to do. The policy of the Government, as announced, was a policy of fiscal peace—that during a period of three years there should be no re-opening of the fiscal question, and that during that time the people of Australia should have an opportunity of seeing how the Tariff would work.

Senator TRENWITH.—Does not the honorable senator think that the act of appointing the Royal Commission was a re-opening of the fiscal question?

Senator DRAKE.—No.

Senator TRENWITH.—It has not only reopened the fiscal question, but a report is now before Parliament in consequence of such action.

Senator DRAKE.—How can the honorable senator say that? Has the harvester matter anything to do with the inquiries of the Tariff Commission?

Senator TRENWITH.—Yes.

Senator DRAKE.—The Government would not wait for the report of the Tariff Commission before proceeding to deal with the importation of harvesters.

Senator KEATING.—What Senator Trenwith said was that the report of the Tariff Commission is now before Parliament.

Senator DRAKE.—The Government distinctly declined to delay this Bill until the report of the Commission on that question was forthcoming.

Senator KEATING.—The point is that the report of the Commission is before Parliament before the expiry of the three years of fiscal peace.

Senator DRAKE.—Yes, but that does not necessarily break the fiscal peace.

Senator PLAYFORD.—Of course it does. What is it before Parliament for?

Senator DRAKE.—The object of the three years of fiscal peace was to make inquiries as to the effect of the Tariff, and to find out whether there were any anomalies and hardships which ought to

be dealt with. But whatever the late or any other Government may or may not have done, it will not alter the effect of what was promised to the constituents. I told the electors that "fiscal peace" meant that for a period of three years the Tariff would not be disturbed; in other words, that it would not be disturbed until the time came for the members of the other House to go before the electors again and ask them what was their will as to the future. It seems to me, therefore, that to consent to that which is not a protectionist measure, but which apparently is designed to carry out the purpose of protection in another way, as I think the Minister of Defence himself said—

Senator PLAYFORD.—No.

Senator DRAKE.—It goes further than protection, because it really authorizes prohibition, and in that respect. I think, it cannot be said to be in accordance with the promise of fiscal peace. For these reasons, I think that I for one would not be justified, during the continuance of this Parliament, in voting for any measure which would disturb the promised fiscal peace. I do not say that it is for that reason only that I shall vote against the second reading of the Bill, because there are other reasons which I have given, perhaps at somewhat too great length. If I felt that I could pass over my first reason for objecting to the Bill, I should still feel some doubt as to whether I ought to vote for the second reading; but I have no doubt on any ground as to my duty to vote against the motion.

Senator PEARCE (Western Australia) [5.44].—I think I can safely say that if the Parliament had not been sitting in Melbourne, this Bill would not have been seen. I feel sure that it is an evidence of the preponderating influence which the political atmosphere of this State has over our deliberations, especially when it is remembered that the agitation which has led up to the introduction of the measure has been purely local, that outside Melbourne there has been no demand for the Bill, and that no cases have been cited in support of its enactment. That is not an argument against the Bill, because if it could be shown to be necessary for one State or city, that would be a good reason for passing it. But it does seem to me to incidentally show the desirability of this Parliament meeting in some place—

Senator TRENWITH.—Outside any State.

Senator FEARCE.—Outside any State capital, where the influence of each State would be equal so far as its deliberations were concerned. In view of the importance of the agitation, and the facts which have been brought forward to back it up, I do not think that any other State would have been so fortunate as to get a similar Bill put through the other House on such a slender foundation. I occupy a very peculiar position. I am not in the slightest degree enthusiastic about the Bill. I look upon it as a mere trifling with a disease—which is certainly present and which will become accentuated as time goes on—and I feel sure that it will be ineffective. The criticism which has been directed against the Bill makes me think that possibly we are dealing with the subject in a way which may lead to some of the consequences which have been foreshadowed. It does seem to me that it contains provisions which, so far from curing the evils at which they are aimed, will give rise to greater evils by injuring legitimate trade within the Commonwealth. The first part of the measure is ostensibly aimed at monopolies both local and foreign, and the second part is aimed at dumping. Most of the criticism in connexion with monopolies has been grounded on a knowledge of similar legislation in the United States. There is one thing which we should always remember in dealing with a question in connexion with which an analogous condition of things is assumed to exist in the United States, and that is that in Australia we have the one great protecting power against monopolies, and it is the only effective power so far discovered, and that it is absent from the United States. In the United States there is a condition existing which vitally affects commerce and trade, and which does not exist in Australia. This difference of conditions is emphasized when we remember that almost all the cases which have been tried in the United States have hinged largely on a condition existing there which does not find a parallel in Australia. That is to say, that in the United States, the railways are privately owned, and in many cases, by the trusts, whilst in Australia, they are owned by the people, and trusts have no control over them.

Senator TRENWITH.—That is an important factor, but it is not the only one.

Senator PEARCE.—It is a very important factor. The laws of the United

States have been directed to a condition of affairs which has grown up primarily and largely owing to the fact that in that country the very highways of commerce are in the hands of private individuals, and are liable to trust management.

Senator MULCAHY.—The arteries of commerce.

Senator PEARCE.—Yes; the arteries of commerce.

Senator DOBSON.—A number of the trade and commerce cases hinge upon that.

Senator PEARCE.—I may say that 75 per cent. of the cases that have come before the United States Courts have been cases in which combines have exercised their powers through the control of the railways, and generally of the means of transportation.

Senator FRASER.—That could not affect the seaports.

Senator PEARCE.—So far as our sea-borne trade is concerned, we are in exactly the same position as the United States.

Senator DOBSON.—I doubt whether anything like 75 per cent. of the American cases hinged upon the control of the railways.

Senator PEARCE.—I have read many of the cases, and it seems to me that quite 75 per cent. of them have been cases in which the trusts have exercised their power by the control of the means of transportation.

Senator TRENWITH.—Where that has been a factor; but there have been other factors.

Senator PEARCE.—It has been the main factor contributing to the evils which have been brought before the notice of the courts. That in itself would suggest that if in the United States, where they have passed some sixteen anti-trust laws—

Senator PLAYFORD.—They have passed hundreds of such laws in the States.

Senator PEARCE.—I am speaking of laws passed by Congress.

Senator PLAYFORD.—I do not think that more than five or six of such laws have been passed by Congress.

Senator PEARCE.—The honorable senator is wrong. If he will refer to *Snyder's Annotated Trust Laws of the United States*, which can be obtained from the Library, he will find that there have been fourteen or sixteen trust laws passed by Congress. For many years Congress passed them at the rate of one each year, so rapidly did they discover loop-holes in

previous legislation. They passed an anti-trust law in one year, and in the following year had to pass another to remedy some defect discovered in it.

Senator PLAYFORD.—The first was passed in 1887, the second in 1890, the next in 1894, and there were three passed in 1903.

Senator DOBSON.—Those must be only the more important laws.

Senator PLAYFORD.—The others must be very small.

Senator PEARCE.—My authority is the work to which I have referred the honorable senator, and he will find that my statement is borne out. The great trusts in manufacture and production in the United States have been enabled to successfully exercise their powers very largely, because of the fact that they have been in a position to secure a controlling influence in the management of the railways leading to the places at which their manufacture or production is carried on.

Senator PLAYFORD.—There is no doubt about that.

Senator PEARCE.—If we take the instance of the Coal Trust we shall find that to-day that trust practically dominates the railways in the Pennsylvania district. Having a dominating influence in the management of those railways, and the area of coal production in their hands, they are able to command the whole of the coal trade of the United States. Such a condition of affairs could never arise in Australia. It is impossible to imagine a coal trust in Australia owning the coal area, and also the lines of communication leading to it. We are, therefore, in Australia in a far more favorable position in which to cope with trusts than are the people of America, because we hold the principal means of transportation. In the United States, notwithstanding all their activity in passing this legislation, and the tremendous public opinion behind the Legislature and the Judicature—because these trusts have public opinion in the United States very strongly against them—the trusts continue to exist to-day as strong as ever they were, and I shall prove before I sit down that in the very case quoted by the Minister in introducing the Bill the trust referred to continues to flourish, notwithstanding the injunctions of the Court. In this connexion the thought has occurred to me that whilst the United States have tried to grapple with trusts by the methods proposed in this Bill, in Australia we have

been able to deprive them of one of their greatest power by the adoption of a certain method which would appear to be the only method yet discovered to cope with them, and that is the ownership of the industries themselves. That is proved conclusively with respect to railways. In Australia, by the State ownership of the railways, we have not only done nothing to injure the people, but have aided beneficently every industry in the country, and have stimulated the production of wealth.

Senator MULCAHY.—An absolutely justifiable piece of State Socialism.

Senator FINDLEY.—All State Socialism is justifiable.

Senator PEARCE.—At any rate a *prima facie* case is made out for considering whether the same means should not be adopted to cope with trusts when they have reached the stage they have reached in America in many instances, and are rapidly reaching in Australia. I shall return again to the question of monopolies later on; but I should like to say now with regard to the dumping provisions of the Bill that they appeal to me more strongly than does the first portion of the measure. That may seem somewhat singular to those who know that on questions of fiscalism my views are in the direction of free-trade. I think it as well to be frank in these matters, and I wish to say that when I consider the question of dumping, I have to admit that there is no weapon in the free-trade arsenal that can effectually deal with that condition of things. Where it is a question of the production of wealth, I believe it is possible to prove that you can have just as great a production of wealth under free-trade as under protection. Otherwise, I should not have been a free-trader. But when we are dealing with dumping we are dealing not with a normal condition of affairs, and really not with trade at all. So far from being trade it is better designated as war or murder. Therefore, while one set of conditions might be applied to trade carried on under normal and fair conditions, it would be unwise to apply the same conditions to trade which is not normal, and which is unfair. I recognise that free-trade, when faced with this question of dumping, provided that it is proved to exist or is possible, leaves a country defenceless. It is on that account that I am inclined to view the second part of this Bill with more favour than the first part.

Senator MULCAHY.—Would the honorable senator define what he means by "dumping"?

Senator PEARCE.—I shall come to that later. The second part of this Bill contains provisions which do not, in my opinion, interfere with trade, so long as it is fair, and is conducted on normal lines. They will be put into operation only when fair and normal lines are departed from. It is difficult to define "dumping," because there is some legitimate trade which in its effect is the same as dumping, but which is not the same in intention. Dumping I take to be the action of a foreign firm in sending into this country manufactures or productions, and selling them in our market at below cost price for the purpose of destroying a local industry.

Senator DRAKE.—Could not that be dealt with by a special Bill?

Senator PLAYFORD.—This is a special Bill.

Senator PEARCE.—I point out that a special Bill would be altogether too cumbersome a weapon for the purpose. We must have some weapon ready loaded, to be discharged at the proper moment. To be effective it must be discharged before the local industry is destroyed. If we had to depend on the passing of a special measure to deal with dumping, the local market might be captured, and the injury done before the legislation necessary to prevent it had been passed. Whilst giving my interpretation of dumping, I admit that there are many difficulties in the way as to when and where it should be applied. For instance, an Australian merchant goes into a foreign market, and, by the possession of keen business ability, is able to buy goods at great advantage, and to sell them in our market at below the cost price of those goods manufactured in Australia.

Senator MULCAHY.—He might be able to do so, because of the circumstances ruling in the foreign market.

Senator PEARCE.—That is so. I have some consolation in this matter from the fact that under this Bill when a charge of dumping is made, it must be proved to the satisfaction of an impartial court. A court that is not interested in trade, and of which the interested parties are not members, will determine the question whether what is complained of is legitimate trade or dumping. I think that we can certainly trust such a court to deal

with the matter. I do not believe that the Minister of Defence quite grasped the meaning of the Bill when he said that it would not apply, except where a manufacturer was in a position to supply the whole of the Commonwealth.

Senator PLAYFORD.—I did not say that. I was at the time referring to an industry such as the cultivation of coffee. It would be absurd to apply it in a case like that.

Senator DRAKE.—It would apply to manufactures, and not to produce.

Senator PEARCE.—We might have manufacturers carrying on an industry in the Commonwealth on which other industries were vitally dependent. One of those manufacturers might take action, and if the Attorney-General took up his case, and instituted a prosecution, the importation of those manufactures would be immediately prohibited. The local manufacturers would be unable to supply the demand, and the dependent industries would suffer. In such a case the consequence would be that an infinitely larger number of people would be injured by the action taken under the Bill than would be benefited by the prohibition of the importation of the goods.

Senator TRENWITH.—They get prohibition because they cannot get protection.

Senator PLAYFORD.—That is all guarded against.

Senator MCGREGOR.—Yes, by the Court.

Senator PEARCE.—No. As I read the Bill, when the Attorney-General has been approached, and a prosecution instituted—

Senator TRENWITH.—But before that the Comptroller-General has to make inquiries.

Senator PEARCE.—As I read the Bill, when a prosecution is commenced, the importation must stop, or, if it continues, it must be under a bond. While a case is being heard the particular trade is at a stand-still; and when we remember the ramifications of commercial life, and how industries inter-depend, we may easily conceive of numbers of cases in which infinite harm might be caused. And who has the key to the problem? The importer of the particular goods; and unless he takes the personal risk of giving a bond, importation must cease.

Senator TRENWITH.—But importation ceases only so far as the baneful importer is concerned. There may be one hundred

other importers against whom there is no complaint.

Senator DRAKE.—Surely the stoppage of importation operates all over Australia?

Senator PEARCE.—The case cannot be as stated by Senator Trenwith, because otherwise the Bill would be ineffective.

Senator PLAYFORD. — Other importers might not be selling at ridiculously low prices.

Senator PEARCE.—But if the importers were selling at low prices, would they all be cited as parties to the case? If so, then trade would be stopped just as effectively.

Senator PLAYFORD.—That is not likely to occur.

Senator PEARCE.—We ought to approach this matter cautiously, in order to see if there is not some possible way out of the difficulty.

Senator MCGREGOR.—I have heard of such a thing as a test case.

Senator PEARCE.—Whether there be a test case or not, it would be serious for trade if the importation of a particular article had to be absolutely prohibited pending the decision of the Court. The Government ought to seriously consider whether some method cannot be devised to allow a trade, under the circumstances, to continue. subject, it might be, to certain restrictions. Senator Drake, I think, put his finger on a weak spot when he said that we have a limited power, in that we can deal only with trade between States and oversea trade. Senator Best's argument that we have power to apply the Bill to foreign trading corporations formed within the Commonwealth seems to me somewhat weak. If we have power so to apply this Bill, which deals with methods of sale, and incidentally regulates those methods according to the industrial conditions under which industries are carried on, I am satisfied that we have full and ample power to deal with the industrial laws of the Commonwealth. In my opinion, it would be desirable to have that power, and I only hope that Senator Best is right; but I am somewhat afraid that the honorable and learned senator would not himself be prepared to go so far. To me, as a layman, however, that seems to be the logical outcome of the honorable senator's arguments. If we have power to say to a trader in a State that he shall not sell goods in that State at certain prices, because thereby he is monopolizing trade—

that such a trader shall not carry on a system of rebates—then we have also power to say to him that he shall not employ his men during certain hours and at certain wages, because in another State other employers are paying higher wages and affording more favorable conditions.

Senator TRENWITH.—So we could if we were not specifically prohibited.

Senator PEARCE.—Senator Trenwith must remember that the power we have relating to arbitration is a special power as to trade disputes. The Bill does not deal with trade disputes between one employer and another as to the conditions of trade, but it may deal with a case in which all the employers except one are satisfied with the conditions. Let me cite a case in point. I was asked to submit an amendment to the Bill, but I declined, on the ground that we have not the power to make such a provision as was desired. In Victoria a certain manufacturer of self-raising flour issues a coupon with each packet, and I was asked to submit an amendment by another employer, who stated that he could just make a fair profit by selling at the same price as his rival, and without issuing any coupons. I may explain that purchasers who collect the coupons are allowed a rebate of so much on returning them to the manufacturer. The amendment I was asked to submit would, if carried, have had the effect of making this coupon system illegal; and undoubtedly it is a system of rebate.

Senator PLAYFORD.—In South Australia we have done away with coupons.

Senator PEARCE.—That was done by State law, and I am now talking of Federal law. I believe that under this Bill we could prevent such a system in Inter-State trade; but will any honorable senator, layman or lawyer, tell me that we have power to carry into effect such an amendment as that I was asked to submit?

Senator MILLEN.—According to the advocates of this Bill, it would have to be proved that the issue of the coupons was injurious to the public.

Senator PEARCE.—According to Senators Best and Trenwith, it would have to be proved that in the issue of the coupons there was intent to injure the public.

Senator TRENWITH.—We could not prevent the issue of these particular coupons by means of this Bill.

Senator PEARCE.—The gentleman who asked me to submit the amendment is a con-

stituent of Senator Best and Senator Trenwith, and I refer him to them.

Senator TRENWITH.—I have heard all about the case.

Senator PEARCE.—I told the manufacturer that, according to my limited legal knowledge, it would be impossible for the Federal Parliament to deal with such a case. To return to the main question, my opinion is that trusts, combines, and monopolies are not the creation of political conditions such as those brought about by free-trade or protection. It is often said that trusts are the result of protective Tariffs. I believe that a protective country is more congenial soil for trusts; but it is too sweeping an assertion to say that they are the result of protective Tariffs. We find trusts in free-trade, as well as in protective, countries.

Senator TRENWITH.—We find that trusts originate in free-trade countries and spread to protective countries.

Senator PEARCE.—I am not prepared to indorse that statement, though Senator Trenwith may be able to prove that the fact is as he states. In my opinion, trusts are the legitimate outcome of economic conditions.

Senator HENDERSON.—As naturally as day is light.

Senator PEARCE.—The day that science and machinery were applied to production trusts became inevitable. Trusts are merely the outcome of conditions which have prevailed and developed until we have our present-day system; and the movement that they typify will not be checked, and cannot be altered by political action. Trusts are the outcome of economic conditions, and they can only be checked or altered by the alteration of the economic system.

Senator FRASER.—The result of improper economic conditions.

Senator PEARCE.—They are proper economic conditions arising from the system of capitalistic production. No other results could be expected.

Senator DRAKE.—How can we alter economic conditions without political action?

Senator PEARCE.—In reply, I ask whether any political action for the last 100 years had anything to do with the introduction of machinery into production. Is it not a fact that the introduction of machinery has led to aggregation of capital? Was it possible under the old hand-labour system to have a trust or combine?

Senator DRAKE.—I asked how we can alter economic conditions except through political action?

Senator PEARCE.—I say that other economic conditions are growing up—that the capitalistic system itself, apart and independent altogether of any political conditions, is bringing about a system of Socialism. It may be that political action will be needed to transfer the ownership of that system from the few to the many; but political action never could create the system, and, therefore, cannot stop it. The only thing that political action can do is to decide the question whether we are to have capitalistic Socialism or collective or State Socialism. In view of the fact that I hold such views, honorable senators will not wonder when I say that I am altogether sceptical—altogether an unbeliever—as to the first portion of the Bill. In my opinion, the conditions which this Bill proposes to regulate are altogether beyond the power of this or any other Parliament, and that any action on our part in that direction would be futile. Even the trusts themselves are helpless in the grip of circumstances. The owners of the industries involved in the trusts have been forced into their present position, in many cases against their own free will, by the economic conditions. It was either trusts or extinction.

Senator PLAYFORD.—Is it impossible to carry on the production of oil without a big trust?

Senator PEARCE.—I have here *Wiltshire's Magazine*, published in New York in July, 1906, in which appears an article headed "The 'System' and Competition." as follows:—

We have often tried to show by theory and fact how competition of the small dealer with the trust has become practically impossible.

Here are some facts developed last month that may interest our readers:—

HOW THE PENNSYLVANIA DOES IT.
(*New York American*.)

The "Pennsylvania" is the trust which Senator Playford said had been wiped out.

Senator PLAYFORD.—I said nothing about that trust.

Senator PEARCE.—The quotation continues—

Philadelphia, 25th May.—Alexander J. Cassatt was boldly charged by a once wealthy coal producer, testifying at the Inter-State Commerce Investigation of Pennsylvania Railroad Graft, and alleged blackmailing methods to-day, with being, not only the author of his woes, but as having issued orders to grafting subordinates which have driven scores of independent operators to the verge of ruin.

Another sensational feature of the probing to-day was sworn testimony by Chief Engineer Joseph W. Crawford, of the Pennsylvania Railroad, that his partners in the ownership of a 60,000 acre tract of coal and lumber land in West Virginia were Vice-President Rea, of the Pennsylvania, and Effingham B. Morris, a Pennsylvania director.

Amazing as it may appear, Effingham B. Morris was yesterday chosen one of a committee of five Pennsylvania directors to investigate the accused corporation.

Asked by the Commission why his business has slumped from an output of 125,000 tons in 1900 to less than 17,000 tons last year, the witness exclaimed dramatically—

"The Pennsylvania Railroad put me out of business. I was deliberately frozen out through orders. Somebody way up gave those orders, which were obeyed implicitly all down the line."

"You believe, then, that high executives of the road gave these orders?" asked Government counsel.

"High executioners, not merely executives," was the angry correction. "I believe Alexander J. Cassatt is the man responsible. I also believe he controls the Reading, the Baltimore and Ohio, the Chesapeake and Ohio, and the Norfolk and Western Railroads, through the community of interest plan. That pernicious combination is what has enabled a few favoured companies to prosper enormously, and crush out scores of independent operators."

Pent-up indignation, caused by years of oppression on the part of the vast Pennsylvania system, struggled for expression as the speaker went on to tell how his three collieries—the Lorraine, Reakirt, and Penn—had been running at a disheartening loss for thirty-six months.

Because of merciless discrimination shown by the Pennsylvania, one of the results was, he said, that large quantities of coal which he had contracted to sell at \$1.12 and \$1.15 cost him \$1.48 a ton to deliver. He added, with a show of feeling, that he had remained in business, hoping against hope that some remedy would eventuate and save the wreck of his camp.

Here was a man who was forced to become a victim of the very system which he was partly condemning. Now I will come to the Standard Oil Company, which Senator Playford seemed to think was a beneficent trust. I have shown that when an organization of this kind secures a monopoly, or practically a monopoly, it is able to force even an unwilling person to become a member. The Standard Oil Company had a small beginning and we all know what it has become. The following extract is taken from the *New York World*, and is dated 25th May, of this year:—

The Standard Oil Company has its own telegraph system, leased or owned, extending to nearly every part of the country, was the one revelation out of the ordinary at to-day's session of the Inter-State Commerce Commission. The rest of the testimony had to do with the Oil Trust's characteristic tricks, such as giving oil away, compelling merchants to sell Standard products under threats of ruining their business,

Senator Pearce.

sending boys on bicycles to "spot" deliveries by the independents' waggons, underbidding of freight, and so on down the Standard's category of business morals.

George L. Lane, of Mansfield, O., who was employed by the Standard for fourteen months in 1901-2 for the purpose of driving independents out of business, was a most entertaining witness—excepting for the trust lawyers. He said he was employed by C. M. Lyons, of the Cleveland office of the Standard to go to certain designated places and use every means, fair or foul, to force the independents to quit.

Senator MILLEN.—Before whom was this evidence given?

Senator PEARCE.—There was an investigation ordered by the United States Government.

Senator MILLEN.—It was not before the law courts?

Senator PEARCE.—No. The evidence was taken by a Commission presided over by Mr. Garfield, a son of President Garfield. The quotation continues—

"My instructions," Lane said, "were to kill them, and I was told that if I could not do the job somebody else would be sent to take my place. In all of the towns, with the exception of Youngstown, the independent peddlers were forced to abandon their business. In Youngstown a man named William H. Vahey was encountered, and despite everything we could do, he held his trade. We gave oil away by the barrel and tank load, but it did no good. Vahey's customers threw it away.

"Of course we could not give a preacher money, but we gave him oil. When we started to give oil away, we gave first one gallon, then two, if it was 'all right,' and increased it up to 100 gallons if necessary. We judged the ability of our 'spotters' by the number of gallons they gave away. At one time, taking all expenses into account, it cost \$6 a gallon to give the oil away.

"Our rivals were followed during their distribution by boys on bicycles or men on foot. Spotters were also sent secretly from Cleveland, and if I did not find all the independent customers I got called down."

When he entered the independent field, Lane said, "Standard Oil men told him they would give away groceries if necessary to kill him off. He charged that a system of rebating to consumers was put into operation, and that the practice continues even now in certain parts of north-western Ohio. They told me they would not let me live," said Lane, "and they have been trying to starve me ever since, but I am still alive."

N. M. Gibbs, a merchant of Kipton, O., said he was compelled to handle the Standard's oil because the Standard's agent threatened to start another store close by and sell every article he sold in competition.

This is the way in which the matter is summed up by the newspaper from which I quote—

It does not seem to matter whether you are a rich owner of 60,000 of coal land or a poor

owner of only an oil peddler's cart, you are a marked man unless you wear the trust collar. The beauty of it all is that the monopolist is in the same boat as his victim, forced to do as he does, or be a victim himself. The clerk of the Standard Oil will be fined if he does not exterminate the peddler who peddles "independent" oil in his district. It's diamond cut diamond; if he does not starve the peddler then the peddler starves him. Again, if the Standard Oil does not exterminate its competitors when they are weak they may grow up to be strong and exterminate it.

That is the problem we have set ourselves to deal with in this Bill. And how do we propose to deal with it? We propose to drive the trusts back again into the state of competition and the condition of affairs from which they originated. We have just as much chance of making the earth stand still as carrying out that idea. That is why I am sceptical as to the success of this Bill. I now come to Senator Playford's statement that the Sherman Act in America has been successful. He said that the authorities had been successful in getting an injunction under it. As a matter of fact, the trusts continue to laugh at the authorities in spite of a hundred injunctions. They defy the courts, they defy the United States Government, and they continue in spite of the Sherman Act. The Coal Trust and the Beef Trust, which the honorable senator quoted as victims of the anti-trust law of the United States, are flourishing to-day, and are as powerful as ever they were.

Senator TRENWITH.—The sausages of the Beef Trust have lost their character lately!

Senator PEARCE.—I think that the revelations referred to have done more harm to that trust than all the United States legislation.

Senator PLAYFORD.—They are continuing under a private arrangement amongst themselves that no one else knows anything about.

Senator PEARCE.—That is what I am coming to. They continue without any parchment agreement, but they have what they call "a gentleman's agreement" amongst themselves. Here is a quotation from the *Argus'* American letter published on 1st May; I suppose it is genuine, and was not written in the office:—

President Roosevelt and his Attorney-General have suffered a serious reverse in their campaign against the great combinations commonly called trusts, and it is due in part to the President's own extraordinary published argument of some months ago in defence of his friend Paul Morton, at the time when the latter withdrew from the Cabinet to become president (by the act of Thomas J. Ryan) of the Equitable Life Assur-

ance Society. Our great beef companies (the Armours, Swifts, Cudahys, Morrisises, and one or two other concerns) have for a long time done business in accordance with a private combination agreement, thus maintaining what is practically a monopoly, and squeezing the public at both ends of the trade by keeping down the price of cattle and holding up the price of meat. Such combinations are forbidden by law unless they exist under a single corporate charter.

Three years ago the Government procured injunctions restraining the companies from acting in combination. This was a beginning. Two years ago, at the suggestion of Mr. Roosevelt, Congress created the Bureau of Corporations, headed by a commissioner empowered to obtain, for the President's use, information from the great corporations as to their affairs. Over this bureau the President placed a young lawyer, James R. Garfield, son of the President of the same name who was assassinated in 1881 by Guiteau. Garfield and his agents began to collect information by personal application to the corporations. Under instructions from Congress they got a lot of it from the beef companies, with the understanding that a part of it should be held in confidence. They published a report which was quite favorable to the trust. But a part of their information was not printed.

The Government resorted to the Courts, and procured the indictment of the Armours, Swifts, Cudahys, and Morrisises for violation of the anti-trust law of 1890. There were sixteen of these accused men, representing the greatest incorporated beef and packing industries in the world, at Chicago, Omaha, Kansas City, and other places. At the outset they interposed the plea that under the constitution they were entitled to immunity, because they had been required by Garfield to give testimony against themselves. He had promised, as they proved, that their testimony should not be used against them, but it had been so used in procuring the indictments.

The letter goes on to say—

Great efforts were made by the Government to save itself from defeat at the hearing in Chicago on this plea for immunity. Attorney-General Moody himself went to that city, and argued strenuously in Court for two days, saying that if the accused men should escape trial it would be a calamity to the Government and the country. But all in vain. Three days ago Judge Humphrey, of the Federal Court, accepted the defendants' plea, gave them immunity, and discharged all of them.

That is the end of that case. The article goes on—

If now the corporations shall be found guilty, their punishment will be only a fine of a few thousand dollars.

Senator Playford boasted that this Bill was almost a copy of the Sherman Act—

Mr. Roosevelt ought not to complain, for in preventing the prosecution of his friend Morton he (and Attorney-General Moody) argued that it was the corporations, rather than their responsible officers, that should be prosecuted and punished.

Is not that a "lame and impotent conclusion," that the great United States, after years of effort—because the case originated in 1903—should find that the accused are all acquitted and allowed to go free, and that even the prosecution against them had to be based upon their own admissions—that the men in the dock had to supply the evidence for their own prosecution?

Senator PLAYFORD.—That was the reason for letting them off—

Senator PEARCE.—That is the reason why they were let off, and if a Government like that of the United States is unable to get evidence except that which it obtained from the members of the trust, in strict confidence, does it not show how impossible it is to put such a law into effective operation?

Sitting suspended from 6.30 to 7.45 p.m.

Senator PEARCE.—Before the adjournment for dinner I made a statement which the Minister for Defence did not seem prepared to accept as to the number of laws on this subject which have been passed by Congress. I have since been able to verify my statement, and I find that, so far from having over-estimated, I under-estimated the number. From Snyder's *Annotated Inter-State Commerce Act and Federal Anti-Trust Laws*, I find that between 1887 and 1903 Congress passed twenty-one Acts, each dealing in some measure with the question.

Senator PLAYFORD. — They must deal very slightly with the question, then.

Senator PEARCE.—Some of the Acts deal very slightly with the question, but they are all in some measure amendments of the original Act. The honorable senator quoted a case in support of his contention that this kind of legislation has been effective in the United States. On page 1611 of *Hansard* he is reported to have said—

In January, 1903, Mr. Gaines, a member of the Federal House of Representatives, for Tennessee, said—

"This Coal Trust was destroyed. Yet the honest coal business survives, and is thriving in Kentucky and Tennessee, and coal is selling there to-day at \$3.50 to \$3.75—and why? The laws are enforced. Our Anti-Trust Statutes are enforced. The people are on top."

He inferred from the extract, and gave us to understand, that what is known as the Coal Trust of America has been broken up.

Senator PLAYFORD.—No; only so far as those two States were concerned.

Senator PEARCE.—The case which the honorable senator cited applied to a small

coal trust which had been formed in that State; but the great coal-bearing State of America is not Tennessee, but Pennsylvania. In 1890 the latter State produced over 90 per cent. of the total output of coal in the United States, and the Pennsylvania Trust has never been broken up. Presently I shall quote some facts from an American journal proving that it is not only in existence, but is pursuing its nefarious career as a vampire towards the other industries of the country. But, first of all, as the Minister quoted a number of cases which he seemed to think proved the efficacy of the law, I wish to show that the Sherman Act—the most stringent of all the American Acts — has on several occasions failed where prosecutions have been instituted under its provisions. For instance, in 1894, an action was taken against the Sugar Trust, and although it was proved that it controlled 98 per cent. of the trade, the prosecution failed. The case is reported on page 253 of the *Annotated Inter-State Commerce Act*. Again, in October, 1898, the Beef Trust was charged before the Circuit Court of the United States with being an illegal combination. The Circuit Court gave an injunction, but that was afterwards reversed by the Supreme Court. I have already dealt with the case which was instituted subsequently, and which the Minister traced up to a certain stage as having succeeded, but which actually failed on a very vital point. As regards the two cases which I have just quoted, their failure arose from this fact—that, while it was proved up to the hilt that there was a restraint of trade, it was a restraint of trade within a State. The prosecution was unable to prove restraint of trade between the States, and therefore a conviction could not be secured. As regards the Coal Trust of Pennsylvania, the *American Review of Reviews* for June, 1906, contains an article, from which I make this short extract—

Perhaps the most complete monopoly now existing in America is the Anthracite Coal Monopoly, and it will be next to impossible to break it up.

This trust is very interesting, because of the form in which it exists. In order to show the impossibility of this legislation to reach that kind of trust, I propose to quote from an article which is entitled "The Coal Trust, the Labour Trust, and the People who Pav," and which appeared in *Everybody's Magazine* for May last. It says—

The Coal Trust is the most effective "gentlemen's agreement" ever employed to evade the

spirit of the law. No contract is needed to hold its members together. The power that combination gives them to make enormous profits by levying on the public an unjust tax of from fifty cents to one dollar a ton in the price of coal, is an adequately strong bond of union.

The article goes on to say—

In the enthusiasm born of good-fellowship and the pleasures of yachting, increased by the admirable food and the unlimited champagne, the gentlemen embraced one another, making proclamation that they were brothers at heart, and that the interest of each one of them was the cause for which they, united, would strive. Each one gave his "sacred word of honour as a gentleman," pledged in the sparkling yellow wine, that thereafter all warfare among them should cease. There were to be no written contracts, no bonds. They were gentlemen. "A gentleman's word is as good as his bond."

How would it be possible to prosecute a trust of that description?

Senator PLAYFORD.—How does the honorable senator know that that statement is accurate? Does it not sound like a statement in a novel?

Senator PEARCE. — The statement is proved to be accurate by the failure to get a conviction against the trust. That the trust is in existence is proved by the results that flow from its operations, by the dearth of competition between these gentlemen, by the complete co-operation amongst them in carrying on their business arrangements, and the absence of any known agreement or business contract between them. After dealing with the methods which the trust had adopted, the article goes on to say—

Thus the coal barons had yielded to the mightiest, and he had become king. He was in the saddle and ready to ride at the head of his forces in 1900. He brought about a general recognition of the Reading interests; organized a holding company, which owns the stock of the Philadelphia and Reading Railroad, the Central Railroad of New Jersey, the Philadelphia and Reading Iron and Coal Company, and various other affiliated concerns; and made himself president, not only of the parent company, but of the stronger subsidiary ones. Remember that the Reading Company owns sixty-three per cent. of all the unmined hard coal in the world, and that ever since Franklin B. Gowen unmercifully thrashed the Pennsylvania Railroad in a legal battle in 1879, the latter has acted in concert with the Reading in all hard-coal matters.

Senator DRAKE.—It is transportation.

Senator PEARCE.—Yes; it is not only a coal trust, but a railroad trust.

Senator BEST. — Transportation is the secret of it.

Senator PEARCE.—It is not altogether the secret of it, as I shall point out presently.

Senator BEST.—It is largely so.

Senator PEARCE.—The fact that the trust controls railroads gives it an enormous power which no trust in Australia could secure. I propose to quote certain extracts, because I desire to show honorable senators that in Australia there is a trust which, so far as it is able, is acting on precisely similar lines. A man named Baer took a prominent part in the formation of the Beef Trust, and his part in the transaction is described in the following manner:—

Directly the trust, now a tangible thing, was in working order, Baer set about securing control of the selling machinery, which was in the hands of powerful wholesalers, or sales agents. (Remember, in this connexion, that the strength of the Beef Trust and of Standard Oil rests almost wholly upon their control of the selling machinery.) The railroads organized sales departments of their own, or made contracts which placed the wholesalers under their direction; and the rule was established—and it is enforced relentlessly—of cutting off the supply of any dealer, wholesaler or retailer, who should depart from the schedule of prices fixed by the trust. So far as the railroads in the trust were concerned, the outward semblance of independent action was carefully maintained, as it is now. For instance, President Baer, President Truesdale, President Thomas, and others would meet, quite by accident of course, in the Lawyers' Club, in New York, for luncheon. They talked about business—men of affairs always do that—and it was pure chance that the coal price-lists issued by each railroad after these luncheons were exactly the same. It was merely a general understanding. Here you have the "gentlemen's agreement" in its perfected, purified form.

There, again, we see the absolute impotence of this legislation to reach an agreement such as that. It would be necessary to put the men in the witness-box, and compel them to convict themselves before it would be possible to break up the trust, or prevent it from crushing out all its rivals in the country.

Senator BEST.—That is only an expression of opinion by the honorable senator, and I do not agree with him.

Senator PEARCE.—I should like the honorable senator, when he has an opportunity to speak in Committee, to say how it would be possible to get at a "gentlemen's agreement."

Senator BEST.—On the circumstantial evidence a Justice of the High Court could find a fact.

Senator PEARCE.—The Justices of the Supreme Court of the United States have failed to find a fact.

Senator BEST.—That may be, because in many cases there are obvious reasons which I need not state.

Senator PEARCE.—I do not think that the honorable senator would charge the Supreme Court of the United States with corruption.

Senator BEST.—No.

Senator PEARCE.—In order to show the money power of this trust, I quote the following passage from the same article:—

Is this advance which the trust has made warranted by conditions? Is the price we are paying now a fair price? Let us consider some figures. There has been an increase in the cost of mining, due to higher wages and physical difficulties in working lower levels. Evidence before the Inter-State Commerce Commission showed that the cost of taking the coal from the mine increased from \$1.43 a ton in 1900 to \$1.96 in 1903. In that time the price of coal increased a dollar a ton, nearly double the increase in cost.

The significant fact is that these trusts, by eliminating competition without increasing prices, are able to enormously increase their profits, and where they find it safe to do so, as in this case, they do not hesitate to increase their prices. I make that statement, because it is claimed on behalf of one trust in Australia that, so far, it has not increased its prices. But the saving which has accrued to it as the result of the elimination of competition, the centralization of its factories and working staff, and the doing away with needless advertising and staffs of commercial travellers which were necessary while competition existed represents to them a profit which is greater than a substantial increase in the price of the article produced.

Senator MULCAHY.—That might be considered fairly legitimate, I think.

Senator PEARCE.—I shall deal with that phase of the question presently. In the last page of this article, I find the following:—

The Coal Trust is a typical instance of what we can see going on about us in every direction: the organization of the productive resources of the country, and the centralization in a few hands of their direction and control. This trust is an especially interesting and a specially dangerous example, because of the perfection of its organization, and its success in taking advantage of the law.

Is there any justification for this centralization of vast power? Does the community in any way benefit from it? Undoubtedly in that it introduces order, economy, and system in place of confusion, waste, and individual caprice.

Is it dangerous? Yes, because it places a vast power in the hands of a few irresponsible individuals, giving them the privilege of impos-

ing on the public an enormous tax in the form of profits out of all ratio to the service they perform.

In that last sentence lies the answer to the objection raised by Senator Mulcahy. It is shown that the profits they make by the saving due to co-operation are out of all proportion to the services they render to the community. The first part of the quotation I have made constitutes the defence of the Government in introducing this Bill, but it lies with Ministers to do more than defend the introduction of the measure. They must prove that it will do what it aims at. The question has been raised whether in Australia we require to deal with these trusts in the manner proposed by this Bill, or by nationalization, because some doubt is expressed as to their existence. It has been my privilege to act as Chairman of the Select Committee and Royal Commission recently engaged in inquiring into the existence of one alleged trust in Australia. Reading these articles, and then looking over the evidence given before that Commission, one cannot but be struck with the absolute similarity of the methods adopted by the Tobacco Trust in Australia and the Coal Trust in America. There is, of course, the difference which is due to the fact that in Australia it has not been possible for the Tobacco Trust to secure control of any of the railways, whereas in America the Coal Trust has been able to secure such control. I direct the attention of honorable senators to the history of the formation of the Tobacco Trust in Australia as given by Mr. Louis P. Jacobs, one of the directors of the trust, in evidence taken by the Commission. At page 57 of the Minutes of Evidence, given before the Tobacco Commission, in answer to question 555, Mr. Jacobs traces the formation of the agreement, as he called it, between the various manufacturing firms. He said:—

An arrangement has been concluded between certain firms in the tobacco trade, some of which are Australian and one English, a list of which is given herewith. Under this arrangement, each of the manufacturing companies holds a proprietary interest in every other such company. Every one of the companies concerned, however, carries on its business separately from the other. These manufacturing companies have purchased an interest in the distributing house of Kronheimer Limited, and have appointed this firm the sole distributing agent for their products to wholesale houses, for which service they receive a commission. Kronheimer Limited, however, also do a wholesale business

themselves, *i.e.*, they supply retail tobacconists in competition with the other wholesale houses.

Honorable senators will remember that one of the essential points laid down by the man who organized the Coal Trust in America was that they should get control of the wholesale distribution of their goods. Here we have the Tobacco Trust in Australia doing precisely the same thing—forming a holding company in which each of the manufacturing companies holds an equal interest, the holding company being responsible for the wholesale distribution of the goods of the manufacturers. Every pound of tobacco, every cigar, and every cigarette made in the factories represented in the Tobacco Trust must go through the holding firm of Kronheimer Limited. No man in Australia engaged in the wholesale or retail sale of tobacco, cigars, and cigarettes, can go to any of the factories represented in the trust, and purchase a pound of tobacco, a cigar, or cigarette there. Mr. Jacobs went on to say:—

It will thus be seen that while the British company obtains a share in the profits made from locally-produced tobacco, the Australian companies likewise obtain a share in the profit made from the sale in Australia of the tobacco of this same company.

He went on then to give the reasons which induced the manufacturers to form the trust, pointing out that prior to its formation there had been unrestricted competition, which had forced down profits and caused tremendous waste in production. He showed that, by coming together, they were able to avoid that waste and enhance their profits, and that altogether the industry, as the result of the co-operation of the manufacturers, was in a far better position than it was formerly under unrestricted competition. The Bill is aimed against combinations of that kind. This combination is undoubtedly in restraint of trade, because it is practically impossible for any manufacturer in Australia to produce tobacco successfully in competition with the combine.

Senator STEWART.—Has it injured the public?

Senator PEARCE.—No, I do not think it has. I am not arguing that it has injured the public, but that, so far as this particular trade is concerned, no rival manufacturer in the Commonwealth has a chance against the combine.

Senator MCGREGOR.—He must come in, or be snuffed out.

Senator PEARCE. — He must. The point arises here that as, with the exception

of a few lines, the trust has not raised the price of its productions to the public, it is claimed that it has not therefore injuriously affected the public. But are we to admit that the prices ruling for tobacco, cigars, and cigarettes prior to the formation of this combine must for all time endure; that, no matter what savings in production and distribution may be introduced, they must never be passed on to the consumer? The defence of those who say that this trust does not injure the public is that the price of tobacco, cigars, and cigarettes has not been raised. I say that if there has been, by the use of improved machinery or improved business methods in this industry, a great saving in production, the public have a right to a portion of that saving, and if they do not get it the public are injured to that extent, and this Bill, in theory, should break up the combine.

Senator MILLEN.—Then there would be no saving.

Senator PEARCE.—I was just going to point that out. The success of the Bill in breaking up the combine would involve the elimination of the saving accomplished by co-operation.

Senator MILLEN.—Which the consumer should get, but will not get, if the Bill is effective.

Senator PEARCE.—If this Bill is effective, the consumer cannot get it. The saving has been gained by eliminating the element of wasteful competition, which the effective operation of the Bill would reintroduce. Honorable senators will not in these times find the enormous hoardings at various railway stations covered with beautiful advertisements recommending the use of certain tobaccos, cigars, and cigarettes. At one time one could scarcely look out of the window of a railway carriage without seeing such advertisements.

Senator DRAKE.—That is injurious to the bill-posting industry.

Senator KEATING. — And to designers, printers, and paper manufacturers.

Senator PEARCE.—It certainly is. I ask honorable senators to note the judicious way in which the trust advertises to-day. We do not find large advertisements from the trust in every newspaper. It is only in certain influential newspapers, and especially those which used to attack the tobacco combine and write of the operations of the "tobacco octopus," that we now find full-page advertisements of the products of the trust. The

little uninfluential newspapers that used to get an occasional advertisement from the manufacturers of tobacco get none to-day. I say that, if this Bill is effective in dealing with this trust, it will confer no benefit upon the public, who will have to pay the same price, and perhaps a higher price, for tobacco, cigars, and cigarettes.

Senator BEST.—If the trust is in the position referred to, of having an absolute monopoly of trade, they can, if they choose, raise prices.

Senator PEARCE.—They can do so.

Senator BEST.—If they were broken up under the operation of the Bill they could not do so.

Senator PEARCE.—We had one witness before the Tobacco Commission who, when he was asked why the trust did not raise prices, very naively said, "You do not suppose that we are going to raise prices while the Labour Party are conducting this campaign for the nationalization of the industry? You surely do not think that we are going to give them an argument to use throughout the Commonwealth? We are not so simple." For that reason, I think it is likely that for some time they will not use their power to raise prices. I say that if the Tobacco Trust is broken up by the operation of this Bill, no benefit will be conferred on the consumers. It would not be in the interest of the consumer to break up the trust if we are to go back to the conditions prevailing when a number of small factories were producing inferior tobacco, and competing in a ruinous way with each other, which led to no adequate profits to the manufacturers or any benefit to the public. That is one reason why I do not desire that the Bill should be applied to that particular trust. Now I come to the Sugar Trust. So far as manufacture is concerned, the operations of the Sugar Trust are confined to Australia and Fiji. The Colonial Sugar Refining Company is undoubtedly a commercial trust within the meaning of this Bill, but it is not a complete monopoly. I think there are two other little refining companies which do about 5 per cent. of the trade. What would be the effect of this Bill on the Sugar Trust?

Senator BEST.—It need not be a complete monopoly to come under the operation of the Bill.

Senator PEARCE.—The Colonial Sugar Refining Company have undoubtedly ad-

opted the rebate system in all its worst features. Grocers who take sugar from them are given a rebate under a written agreement that they will take the sugar of this company only. If they break that agreement they will lose their rebates. I am very doubtful whether this Bill could be used successfully to interfere with the Sugar Trust. Does this measure give us the power to fix a selling price? We have a Tariff against sugar coming into the Commonwealth, and so long as it continues in force the Colonial Sugar Refining Company can fix the price of sugar in Australia, even without their present agreements with their customers. I fail to see how we would benefit the consumers by breaking up the Sugar Trust. I believe that if we did so the position would be exactly what it is to-day; the trust would continue to exist in spite of us, and to fix the price of sugar in Australia.

Senator STORV.—If we imposed a fine upon the company they could take it out of the consumers.

Senator PEARCE.—That is so.

Senator MILLEN.—When the honorable senator uses the term "trust," as applied to the Colonial Sugar Refining Company, does he mean to contend that the company is a trust within the definition of the Bill?

Senator PEARCE.—Yes, I do.

Senator MILLEN.—Under this Bill "trust" has a special meaning. I do not think the Colonial Sugar Refining Company comes within it, though I do not say that it would not come within the purview of the Bill.

Senator PEARCE.—A "commercial trust," according to the Bill—

includes a combination, whether wholly or partly within or beyond Australia, of separate and independent persons (corporate or unincorporate) whose voting power or determinations are controlled or controllable by—

- (a) the creation of a trust as understood in equity, or of a corporation, wherein the trustees or corporation hold the interests, shares, or stock of the constituent persons; or
- (b) an agreement; or
- (c) the creation of a board of management or its equivalent; or
- (d) some similar means; and includes any division, part, constituent, person, or agent of a Commercial Trust.

Senator MILLEN.—The Colonial Sugar Refining Company might constitute a monopoly, but I hardly think that it constitutes a trust.

Senator PEARCE.—If it is not a trust within the meaning of this Bill it will not be affected by it.

Senator MILLEN.—It might be a corporation acting in restraint of trade.

Senator PEARCE.—In any case I do not see how the Bill could deal with that particular industry. I should like to refer to the kerosene industry, which has spread from America to Australia, and I hope the Bill may do something to regulate it. The Standard Oil Company to-day compels its customers to bind themselves to take no other oil. In Australia there is another oil company called the Borneo Company, and I have it on the best authority that it is being crushed out of existence by the Standard Oil Company. If a grocer purchases any oil from the Borneo Company the Standard Oil Company may refuse to supply him with any of their product.

Senator FINDLEY.—It would have to be proved that the consumer was being affected.

Senator PEARCE.—It would have to be proved that the consumer was being injuriously affected. There is some hope, I think, that the Bill may have the effect of bringing about fair conditions in the oil trade in Australia. Now I come to another industry, and the most important of all, in my opinion, to which this Bill should apply, if to any. I allude to the Inter-State shipping industry, which to-day is undoubtedly carried on by a trust. I am confident that the industry is controlled by a board on which the various shipping companies in Australia, with the exception of one, are represented. Fares and freights are fixed, and a general agreement is entered into; but what I wish to point out is that the agreement is an open one, there being no attempt at concealment. What would be the effect of this Bill? It would be to drive the combination underground, and, instead of an open agreement, we should have a "gentlemen's agreement," like that of the Coal Trust. We should then be powerless to sheet home a conviction under this Bill. All that the shipping companies would have to do would be to make an agreement of honour in regard to fares and freights. Some sceptics may say that members of the trust would soon break away from such an agreement. But without a written agreement there would be the most powerful compelling force to obedience. Any company in Australia who tried to compete with the combine would

have a very hot time. If any of the parties were to break away from the agreement, the other companies could run the recalcitrant one off the coast of Australia, and practically ruin him. Where is the inducement for a steam-ship company to break away from such an agreement? Under the terms of the arrangement the profits are greater than ever before, and interest on debentures and shares is assured. If a shipping company were to revert to the old system of competition, interest and dividends would become uncertain. All the tendency is to abide by the agreement, and endeavour to carry it out to the utmost of their power. This Bill does not hold out a scintilla of hope to the people of Australia, so far as the shipping combine is concerned.

Senator FRASER.—It is only a union.

Senator PEARCE.—Certainly, and I am not condemning it.

Senator BEST.—Is the combination to the detriment of the public?

Senator PEARCE.—I am certain that it is detrimental to the public in its effects. The combine could be made of great service to the public, but, unlike the tobacco combine, it has undoubtedly used its powers. The people of Western Australia are absolutely dependent on sea carriage for their goods from the eastern States, and they consume in that State more foodstuffs than they produce. What happens is that the shipping companies, by reason of their combine, are able to take tribute from the grower of the foodstuffs and also from the consumer in Western Australia; and the freights charged are altogether out of proportion to the services performed. Such a system is unjust, not only to the consumers in the West, but also to the producers in the East.

Senator MULCAHY.—Are the dividends of the shipping companies very large?

Senator PEARCE.—During the last few years these shipping companies have been able to build some of the largest steamers on the coast out of the profits.

Senator MULCAHY.—Tax the companies on their profits.

Senator PEARCE. — If Senator Mulcahy considers the dividends paid by those companies he will see that the combine is a most profitable investment. This is a sample of local trusts which, it seems to me, the Bill will be powerless to effectively deal with. There is another phase of the Bill to which I desire to call attention, and

which came under my notice as a member of the Royal Commission on the Tobacco Monopoly. There is an agreement in the tobacco trade very similar to that referred to by Senator McGregor as existing in the bootmaking trade. The States Tobacco Company, which is the cigar branch of the Tobacco Trust, have in their possession a number of cigar-making machines, by arrangement with the American trust? To show honorable senators the value of these machines, I shall read some evidence given before the Royal Commission to which I have referred. Mr. Arthur Hirschman, a cigar manufacturer in Sydney, gave the following evidence:—

7091. Where are those machines used?—In Melbourne, in the States Tobacco Company. I produce, for the information of the Commission, what is styled the bunch before becoming a cigar. It is made by hand, or by block. The ten machines would turn out 30,000 bunches a day, which would be at the rate of 150,000 per week. A boy or girl is employed on each machine, and is paid, at most, 15s. per week to work it. That shows the cost of making the quantity I have named in a week would be £7 10s. The cigarmakers of this city have lately had a case before the Arbitration Court, and from the particulars given there, it is seen that the very lowest at which I could make the cheapest cigar would be 2s. 6d. per 100; that is, to finish it right out. The rolling means putting on the covers after the bunches are made, and whether they be Sumatra, Havanna, or Mexican, the cost is 1s. 8d., or two-thirds for rolling, and 10d., or one-third, for making the bunches. So that to manufacture 150,000 by hand at 10d. per 100 would mean £62 10s., as against the cost by machinery of £7 10s. The rate I have mentioned is as fixed by the Arbitration Court, and is the same as in Victoria for block-work cigars. If taken on the basis of 50 working weeks in a year, it would mean a total wage of £3,125, as against machinery wage of £375, giving the trust an advantage of £2,750 per annum.

Senator MILLEN.—That is an advantage which comes from the possession of the machines, and not from any combination amongst the manufacturers.

Senator PEARCE.—There is a combination. The difference between the case quoted by Senator McGregor and the case I am now citing is that, while any manufacturer in the boot trade may, on terms, obtain a complete instalment of plant on application to the boot company, the cigar-making machines cannot be obtained on any terms or conditions. We had evidence from witnesses who had offered to take the machines on any conditions, but were refused.

Senator PLAYFORD.—That is due to a patents monopoly.

Senator PEARCE.—A witness named Solomon J. de Beer, who was examined in Melbourne, gave evidence as follows:—

6447. Have you made any inquiry as to the possibility of getting those machines?—Yes, and I find there is no chance whatever of getting them. The States Tobacco Company has a monopoly of the only good cigar-making machine in creation. There are other machines to be had which will work what we call "scraps," but those are, in addition, "bunch" machines. The machines used by the States Tobacco Company are the only ones that actually do the work.

6448. How did they get a monopoly?—I think they pay a royalty rate.

6449. How did you find out you could not get the machines?—I had information from Home that we could not get the machines. My brother inquired into the matter there.

6450. Did he tell you you would have to get them from the States Tobacco Company?—The reply I got was—"They are not to be had."

6451. The States Tobacco Company have got them?—That he did not say. Since the States Tobacco Company have the machines working, I have come to the conclusion that they hold the right to the use of those machines.

Other witnesses told us that the States Tobacco Company have the sole right to the machines, and that when the inventors in America were written to, they referred applicants to the company.

Senator PLAYFORD.—That is a patent right conferred by the Government on the inventor of the machine.

Senator PEARCE.—It is a monopoly obtained by the misuse of powers under the Patents Act. I do not think it was ever contemplated that any one, not even the original patentee, should have the right to monopolize a machine.

Senator PLAYFORD.—The right is obtained by purchase from the original patentee.

Senator PEARCE.—It seems to me that this is a monopoly which the Bill might very well be used to rectify, by compelling the owners to allow the use of the machines on conditions. If the case of the boot manufacturers is a hard one, how much harder is that of the cigar manufacturers, who are subject to an enormous handicap by reason of having to use hand labour. This is the kind of monopoly at which the Bill should aim.

Senator Col. NEILD.—The honorable senator might as well make a charge of monopoly in regard to the carriage of letters and the conveyance of telegrams.

Senator PEARCE.—The honorable senator may not know it, but monopolies of the kind he mentions have been broken

down by law. I intend to support the second reading of the Bill, notwithstanding my criticism, because I recognise that these trusts must be dealt with. There is in existence in Australia a party known as the Liberal Party, who say that we can control and regulate trusts. We Socialists say that such trusts are beyond our control and regulation. The Government, who represent the Liberal Party in Australia, submit this Bill as a proposal to regulate industries, and I am prepared to allow them to try their regulating measure. I believe the Bill will fail. I have no faith in the first part of the Bill, because I feel sure it will not have the effect anticipated, but I am prepared to allow the Government to try to regulate trusts. As I said before, I support the dumping provisions, because if there be dumping those provisions will be useful. Although there may be some danger in the measure, still I feel justified in voting for the second reading, in the hope that in Committee the particular provisions to which I refer may be safeguarded in such a way that they will not be used to the detriment of Australian industries.

Senator MACFARLANE (Tasmania) [8.29].—I was much pleased to listen to the honorable senator who has just sat down, but I am surprised that, after showing the defects of the Bill so clearly, he should lamely end by saying that he is going to support it.

Senator Col. NEILD.—The honorable senator has to.

Senator MACFARLANE.—In any case, it seems to me that this Bill has a wrong title, and that it should be called the Anti-Commerce Bill. There are several blots upon the measure that ought to be removed if it is to become law. The first great blot in it is contained in clauses 6 and 18, under which a defendant is considered to be guilty until he is proved innocent. How honorable senators opposite can support a provision of that kind I can hardly understand. It seems to me to be inconceivable that Ministers should propose that the old English law, that every man shall be held to be innocent until proved to be guilty, should be turned upside down in this way.

Senator BEST.—The provision is in conformity with the principle of the old English Customs law.

Senator MACFARLANE.—Not the law that is acted upon now?

Senator BEST.—Certainly.

Senator KEATING.—It is common in Customs law.

Senator MACFARLANE.—We are not dealing with a Customs Bill, and I cannot understand why clauses 6 and 18 should contain that provision. That is one blot which I should like to see removed. Another is that the Bill contains a device which is no doubt intended to please the Labour Party.

Senator MCGREGOR.—The Labour Party would not "give a snuff" for the Bill.

Senator Col. NEILD.—But they will vote for it.

Senator MACFARLANE.—I allude to the provision with regard to wages and conditions of employment. This Bill will not restrain monopolies, and if it is to restrain dumping, it certainly ought to say so plainly. It has been asserted more than once that it is intended to prohibit dumping. Yet there is no proper definition of dumping in the Bill. I will read one which seems to me to be very clear. The Chairman of the Tariff Commission, in speaking on this matter not very long ago, expressed his disappointment that Part III. of the Bill was not to be postponed, and said that there was no evidence of dumping in this country.

The PRESIDENT.—The honorable senator must not quote from a speech made in the other House.

Senator MACFARLANE.—I take this from the *Argus*, and do not intend to quote the speech as a whole.

The PRESIDENT.—The Standing Orders say that an honorable senator must not even allude to a speech delivered in the other House in the present session.

Senator MACFARLANE.—Well, I may give this as my own opinion. Dumping may be defined to be the export of surplus stock from one country to another, offered for sale at a lower rate than that ruling in the country of origin. Dumping is not importing goods into this country and selling them at a lower price than that at which they are sold in another country, but it is selling them at a price lower than the cost of production. It is quite clear that there is no evidence of such dumping in Australia. If we attempt to stop importations, we shall be entering very treacherous waters. The new duties imposed by many of the provisions of the Bill are likely to take up a great deal of the time of the Comptroller-General. That is another reason why I regard it as faulty in construction. If

we intend to prohibit goods, it is better to say so plainly, and to achieve our end through the Customs. Unfair competition is characterized as competition with intent to secure a monopoly. But any person in business may desire to get a monopoly of his own trade if he can. He need not wish to injure his neighbour, but he wishes to get all the business for himself.

Senator DRAKE.—He wishes to get the biggest slice.

Senator MACFARLANE. — Exactly ; and it is nonsense to try to legislate against it. It is human nature that every man should try to do the best he can for himself. Senator Pearce has shown that the operations of trusts will not be stopped under this Bill, and I do not think that dumping will be prevented by it either. Perhaps Senator Pearce will allow me to say, with regard to the Colonial Sugar Refining Company, that I hold in my hand a communication from a high officer of the company, who wishes to explain that it is not a monopoly in any sense of the word.

Senator MCGREGOR.—Does the honorable senator believe that ?

Senator MACFARLANE.—Yes, and I will give the facts.

The Colonial Sugar Refining Company was formed in 1855 with an unlimited liability of shareholders, and was so worked until 1887, when it was registered with limited liability under the Companies Act of New South Wales. In that year, the Victoria Sugar Company, which had lost very heavily in the crisis in the sugar industry in 1884, was amalgamated with the older company, the proprietors receiving shares and debentures in the latter for their interest ; and in 1888 the New Zealand Sugar Company was brought under the same control, as the Colonial Sugar Refining Company already owned two-thirds of its stock. The properties of the new company then consisted of three refineries in Sydney, Melbourne, and Auckland, and eight sugar mills in New South Wales, Queensland, and Fiji. Since then two refineries have been established in Adelaide and Brisbane, and five mills in Queensland and Fiji. The sugar business is divided into two parts, the refining branch and the manufacture of raw sugar from the cane ; and as to the first it may be said :—The refiner has no protection on his sugar, which is refined in bond, full duty being paid on it when it leaves the factory. In addition to our refineries, there is one in Melbourne and another in Bundaberg, while a third is now in course of erection in Sydney. In none of these concerns has this company any interest whatever, and it has not now nor ever had any understanding or agreement with the other refineries with regard to the selling price of sugar, as has been alleged by Mr. Watson and other members of the Labour Party. The large refineries in Hong Kong, which are worked under great advantages in the matter of the cost of

the sugar, of labour, and of supplies (there being no Customs duties or Government taxation in that port), also compete for a share of the sugar trade of Australia.

Last week two cargoes of China sugar came into this country.

Senator TURLEY.—For whom did they come in ?

Senator MACFARLANE.—Principally for Poolman and Company, who refine sugars largely imported from Java and elsewhere. That company conducts its business in opposition to the Colonial Sugar Refining Company.

Prices of refined sugar are therefore based on the value in the world's markets, plus the import duty of £6 per ton.

If it were not so the importations from China and Java would be largely increased. The price of refined sugar is always based upon the world's market price, plus our own duty.

In all the States we have a graduated scale of discounts, according to the quantities of sugar purchased ; and in South Australia and Western Australia grant a special concession of 10s. per ton to those traders who confine their business exclusively to our products, the object of these arrangements being to insure a steady demand, a matter of great importance to a manufacturer.

It is not done to monopolize the trade, but is simply a matter of the company's own convenience as manufacturers in knowing what the output is likely to be.

The raw sugars required by the local refineries are either imported from Java or other countries, or supplied by the Queensland and New South Wales sugar mills. If produced from the imported sugar, the refined article is subject to a duty of £6 per ton ; if from the home-grown the Excise is £3 per ton ; but the difference between the two duties is added to the prices paid for the home-grown product, so that it is quite immaterial to the refiner—provided the bonded price is the same relatively in both cases—whether he imports or buys locally the raw material required for his business ; and of the two competing refineries above referred to, one works Queensland sugars only, while the supplies of the other are altogether the produce of Java.

That is irrespective of the Colonial Sugar Refining Company altogether, and shows that there is no monopoly.

The position of the raw sugar production may be stated as follows :—This branch of the sugar industry receives at present a protection of £3 per ton, which will be reduced to £2 from the 1st January, 1907, but this will disappear if the production should exceed the consumption, when the protective duty becomes inoperative. For the sugar purchased by us we pay a price fixed on a sliding scale according to the market value of the refined product, such price including the whole advantage derived from the protective

tariff. The margin of profit thus secured to us is, notwithstanding wild statements to the contrary, only a moderate one, and we are prepared, if it be necessary, to prove the truth of this statement. It should be noted in this connexion that our purchases of Commonwealth sugar during the past few years have cost 12s. to 16s. per ton more than Java sugars, which have been used exclusively by Mr. Poolman, the Melbourne refiner, who no doubt for this reason has always found it to his advantage to import his supplies rather than contract for the local products. The sugar produced at our own mills is almost entirely made from cane grown by farmers who, since the protection was given under the Federal Tariff, have received 3s. 10d. per ton of cane more than before, and the balance of the protection has so far been retained by us to provide against the loss which we will sustain if the withdrawal of colored labour compels us, as we believe it eventually will, to close our factories in tropical Queensland. In proof of the fair treatment which the farmers have received at our hands, it is interesting to note that the price which we have paid for the cane supplied to our mills in Queensland has, since the advent of Federation, been higher than that given by the Central Mills, whose capital has been provided at a low rate of interest by the Queensland Government.

That is a very important point, when we hear so much talk of the evils connected with a large company. This company has given a higher price to the farmers since Federation than has been given by the Government mills.

From the yearly reports of the Auditor-General of Queensland, it can be ascertained that, during the seasons 1901-1904 inclusive, the Central Mills crushed 1,237,690 tons of cane at a cost of £961,433, or 15s. 6.43d. per ton delivered at the mills; while our books show that 1,154,713 tons were crushed at this company's mills at a cost of £910,488, or 15s. 9.24d. per ton, an advantage of £13,520, or nearly 3d. per ton, to the farmers who sold their cane to this company. The difference is actually somewhat greater, because the cost of transporting the cane to our mills is less than to the Central Mills, but accurate figures under this head cannot be obtained. The fact remains, however, that the accusation which has frequently been levied against us, that the farmers do not receive a fair price for their cane, cannot be sustained, if it be considered that the Central Mills, some of which are worked under direct Government control, have paid less than the company for the cane supplied by the farmers. The Auditor-General's report for the 1905 season not being yet available, a comparison of the prices paid for cane cannot at present be made for that year. To those farmers who employ white labour a bonus is paid under the scheme adopted by the Federal Parliament, but this is given direct to the farmers by the Government, and the mill-owner has no share in such payments. From the foregoing facts it will be seen that we have no monopoly of the sugar trade of Australia, and indeed no monopoly could be created in this trade under present Tariff conditions, for we, in common with other local re-

finers, not only do not receive any protection, but, by reason of the high wages current here, and the heavy duties on machinery and other material used in the manufacture, have to compete on unequal terms with foreign refiners, while our prices must be fixed according to those ruling in the world's markets. As raw sugar manufacturers, we enjoy a certain measure of protection which, however, must be set against the loss of capital that will be the sequence of the withdrawal of coloured labour from North Queensland.

With regard to the ownership of the shares in the company, the following analysis is worthy of note:—There are now some 1,300 shareholders, of whom 700, representing half the stock, are trustees, executors, single women, widows, and wives jointly with their husbands; 31 are employes of the company, while 1,430 members of the staff and wage earners are interested in the employes provident fund, which holds over 3,000 shares; 113 are professional men; 375 are traders and men actively engaged in business; and 65 are so-called capitalists, holding altogether 23 per cent. of the stock. Of these shareholders, 8 per cent. reside outside Australasia (nearly all Australians who have gone to England to live), but the percentage of such holdings to the total capital is constantly being reduced, as the board have for a long time been unwilling that any stock in the company should be acquired by those living on the other side of the world while all its interests are here. In conclusion, I would point out that it is generally overlooked by our critics that, besides our investments in Australia, we have important interests in Fiji and New Zealand.

Senator PEARCE.—That does not explain or defend the rebate system.

Senator MACFARLANE.—The only condition is that in South Australia and Western Australia a rebate of 10s. a ton is allowed if the buyers confine their purchases to the company. But in all the rest of the Commonwealth the buyers are free to buy where they will. Except as regards the sliding scale, no difference is made if a man takes 1 ton or 500 tons. There is no bond against purchasing any other sugar, except in the two States I mentioned. When the Sydney Chamber of Commerce approached the Premier of New South Wales, it expressed its opinion about the Bill in these terms—

1. That the Bill, while on the one hand seeking to prevent a creation of monopolies, will on the other hand, by empowering the Minister to prohibit certain imports, create the machinery for establishing monopolies by manufacturers within the Commonwealth at the cost and to the detriment of Commonwealth consumers.

2. The exercise of such a provision by the Minister for the time being would be an intolerable interference with trade and an undue restriction to commercial liberty within the Commonwealth.

3. The provision to relegate questions of trade policy for final determination to the Law Courts is contrary to British practice.

4. The provision casting upon an accused in every instance the onus of proof is contrary to a well-recognised British principle.

5. The general effect of the Bill will be to introduce within the Commonwealth the fiscal policy of protection at the *ipse dixit* of the Minister for the time-being.

6. The Federal Parliament has no mandate from the people for such a policy.

7. If such a policy is to be introduced, it should only be upon the deliberately expressed declaration of a majority of the people, and not at the caprice of the Minister of the day, who may be tempted to propitiate a section of the House, holding at the moment the balance of power, in return for support.

I think that the Bill ought to be referred to the people before it is enacted, and I for one intend to vote against its second reading.

Senator O'KEEFE (Tasmania) [8.52].—I think that some of the strongest arguments which have been advanced both for and against the Bill could very well be used by the members of the Labour Party in favour of the nationalization of monopolies as soon as they became injurious to the general welfare of the community. This afternoon, Senator Best, in a most exhaustive and interesting speech—one which was warmly commendatory of the Bill, which he said he intended to support almost as it is—advanced a number of very strong arguments in favour of the representatives of the people taking hold of a monopoly when it became injurious, as in America trusts have become. While he eloquently advocated the claims of the Bill, he freely admitted that there were enormous difficulties in the way. Its warmest advocates admit that the difficulties might be almost insuperable. As one of those who believe that the best interests of the community as a whole would be served by giving the people, through their representatives, control of industries, or monopolies, or trusts, or combines, as soon as ever they became injurious to the general welfare, I am not sorry that this Bill has been introduced because, while I do not expect it to do a great deal of good, I believe that it will achieve some good. I shall not put myself in the position of rejecting a crust because I cannot get a loaf at once. Some opponents of the Bill—for instance, Senator Drake, this afternoon, Senator Symon, in a very destructive criticism, extending to three hours. Senator Millen, in another able and also destructive speech, and other honorable senators on that side—have admitted that there are known evils to be dealt with, and that if they could

grapple with them in any way they would. They have based their objection to the measure, and stated their intention of voting against its second reading, purely on the ground that in their opinion it would be ineffective. If they admit that in other countries evils have grown up under the operation of enormous combines; if some of them have admitted that there are known to be such evils here, though, perhaps, in almost an infantile stage, and if others have admitted that if the evils are not here now, they are likely to arise perhaps in the near future—if they believe all these things, and consider that no great harm would be done by the passing of the measure, but that it would tend to check some of the evils which are here now, or which may arise by-and-by, why should they not be prepared to give it a chance? I do not believe that it would be found effective for a great length of time in dealing with trusts and combines which are going to be injurious, and which, in my opinion, are injurious now in checking that proper growth of Australian industries which we all would like to see take place. But if there is a chance, as I believe there is, of the Bill being an instrument to control the trusts in some respects, to check even in the slightest degree their operations, while the people are being educated to the idea that the most effective way to deal with them is to own them, and regulate them through their representatives, the measure may effect some good, and that is why I intend to vote for its second reading. It was interesting to watch the constitutional differences between the two lawyers who spoke this afternoon. The contest between Senator Best and Senator Drake only serves to show what an elastic instrument the Constitution is when two legal luminaries, who are both protectionists, and who, therefore, I should say, are both anxious to do what they can reasonably to help Australian industries hold opinions so radically opposed to each other regarding the reading of two of its provisions. Senator Best argued that the Bill could be made to apply to such a case as was seen by Senator Drake in London. When the latter drew a harrowing picture of the price of coal being raised in the severest weather to the poorest of the poor, and when he affirmed that, in his opinion, such a case, if it happened in Melbourne, could not be dealt with under the measure, Senator Best took an entirely opposite opinion. I as a layman am with Senator Best in his reading of the

provision, perhaps because the wish is father to the thought. I sincerely hope that, if the point is ever contested, a sufficiently broad construction will be placed upon the provision by the High Court to allow such a case as that cited by Senator Drake to be dealt with under the measure. It seems to me that there is a very strong probability that the High Court would read into the provisions a broader construction than that of Senator Drake. That is an additional reason why I shall support the Bill, purely as an instalment of the legislation which is coming every day faster and faster, and which must come, in response to the opinion of the people at large, as the kind of legislation which in the end can be the only method to deal effectively with trusts as we desire them to be dealt with. I shall not be able to personally record my vote for the second reading of the Bill, because I have paired with an honorable senator who will be unable to be present during this week. I hope that if the Bill gets into Committee honorable senators on both sides will assist its progress; that those who are opposed to the second reading will then join with those who are in favour of the measure in making it as effective an instrument for the accomplishment of the purpose in view as it can be made.

Senator TRENWITH (Victoria) [9.1].—Many objections have been taken to the Bill, which, in my opinion, should have been deferred until we reached the Committee stage. Most of the arguments adduced have not been against the principle of the Bill, but against clauses which, if unsatisfactory, as possibly they may be, can easily be altered in Committee. In discussing the second reading what we have to consider is whether it is desirable to introduce legislation to prevent trusts or corporations carrying on business with intent to injure Australian industries. That is the principle we have to discuss. If it is not desirable to introduce such legislation the second reading of this Bill should not be carried; but if it is desirable that combinations or trusts, carrying on trade with the design to injure or destroy Australian industries, should be restricted then the second reading should be carried. Some objection has been taken to the phraseology of the measure, because it provides that before an offender can be punished for an offence, there must be proof of intent. Surely that is eminently in the interests of

fair play? Indeed, it would be monstrous to assume that we would accept legislation that would render it possible to make a person punishable for an act committed innocently, and without any intention of wrongdoing. That would be contrary to the spirit of all British law. This Bill provides that the making of a contract with the design of destroying an Australian industry shall be punishable by fine or imprisonment. It further provides that such a contract being made in contravention of the provision dealing with that offence shall be null and void. There are some persons who, while they offer no objection to the spirit of the law proposed, as applied to future undertakings, are afraid that this provision will be retrospective in its operation, and will affect agreements which have already been entered into. Speaking for myself, I have no doubt at all on the subject. It is perfectly clear to me that under no circumstances can this Bill affect agreements entered into before it is passed. It is quite impossible that such agreements could have been made in contravention of a section of an Act which had no existence. Still I think the Minister of Defence would be wise if, by some statement or other, he were to make that perfectly clear to the public mind, so that those who are now nervous on the matter shall be reassured.

Senator FLAYFORD.—The Attorney-General stated that in another place.

Senator TRENWITH.—I think that the Minister of Defence should state it also in the Senate, and in terms as definite as they can possibly be made. It cannot be made too clear. Many persons are nervous and anxious on the subject, and it is as well that their minds should be relieved. I think it is perfectly clear that there is no intention to deal in the way of punishment with persons who have offended against the principle of this measure before it was introduced, because in clause 4, what is distinctly described as the offence is the making of a contract with intent. If such an offence is committed in contravention of this Bill punishment will follow, and by a natural and proper sequence it will follow also that a contract so made will become null and void. This can have no reference to contracts made prior to the passing of the Bill. There has been some effort to prove that the words "continuing in" refer in some way to the contract, but obviously they refer to individuals who continue, after the passing of this measure, in

combinations at variance with the spirit of the law, or in contravention of its provisions.

Senator MILLEN.—If on the day before the Bill becomes law, I make an agreement for twenty years, it will hold good all that time?

Senator TRENWITH.—I think so.

Senator GUTHRIE.—Or for 100 years?

Senator TRENWITH.—Or for 1,000 years, though none of us are likely to live so long.

Senator GUTHRIE.—A corporation never dies.

Senator TRENWITH.—That may be so, but individuals who make contracts with corporations do sometimes die. I am not now endeavouring so much to reply to objections raised in the Senate, as to remove anxiety which I know to exist in the minds of individuals outside with reference to the possible operation of this measure. I shall not proceed further on the lines of criticism adopted by other honorable senators, and which I have myself followed so far, because I do not think that is the proper course to take. The proper course on a second reading is to discuss the principles of the Bill, and perhaps incidentally to indicate some amendments which may be sought in Committee. It is certainly not the proper course to object to the second reading of a Bill because the machinery clauses are insufficient or incomplete to give effect to its principle.

Senator MILLEN.—Does the honorable senator think that that is a fair criticism of Senator Best's speech?

Senator TRENWITH.—I should rather apply it to the speeches made by Senators Millen and Symon. In view of the fact that there has been a departure from what I conceive to be the proper principle of a second-reading discussion, I think that Senator Best wisely, and certainly effectively, referred as a lawyer to some objections taken by lawyers to various clauses of the Bill.

Senator BEST.—As to their legal interpretation.

Senator TRENWITH.—Just so. A point has been raised which, it seems to me, does not deal with the clauses of the Bill, but rather with our powers in connexion with such a measure. I refer to the constitutional question raised by Senator Drake: the question as to whether we have power, under the Constitution, to make laws dealing with the subject involved in

this Bill, other than mere machinery laws, for the continuing in existence of a company. In order to arrive at some idea of the true position with reference to our Constitutional powers, I purpose reading from the Constitution in this connexion. First of all, we have to remember that our powers under the Constitution are contained in a section of the Constitution Act which contains thirty-nine distinct paragraphs—each one of which, I venture to say, is independent of the others, and of everything but the covering portion of the section which provides that—

The Parliament shall, subject to this Constitution, have power to make laws for the peace, order, and good Government of the Commonwealth, with respect to—

We must read that portion into every one of the thirty-nine articles as if the other thirty-eight had no existence. The only possibility in which any one of the other thirty-eight can affect the thirty-ninth which we have in mind is in the event of its being specifically opposed to it.

Senator BEST.—Which they are not.

Senator TRENWITH.—They are not. Senator Drake relied upon our powers to deal with trade and commerce as being contained in paragraph 1 of section 51 of the Constitution—

Trade and commerce with other countries, and among the States;

That is one matter with respect to which we have power to make laws for the peace, order, and good government of the Commonwealth. Then we come to paragraph xx., and we find that we have another power, namely, to make laws for the peace, order, and good government of the Commonwealth with respect to—

Foreign corporations, and trading or financial corporations formed within the limits of the Commonwealth.

We have to read that by itself if we are to arrive at a true idea of what our powers are under that provision of the Constitution.

Senator BEST.—And we have to give to each of the paragraphs the fullest interpretation.

Senator TRENWITH.—It seems to me that that is the only way to read any one of these thirty-nine articles as I have described them. We must read each separately in conjunction with the covering portion of the section conferring the power to make laws for the peace, order, and good government of the Commonwealth.

I venture, as a layman, to say that, though of course, with very great diffidence. I have not so much hesitation in making the statement as I should have, were it not for the fact that lawyers in the Senate differ very much on the subject. I venture an opinion based, I think, on common-sense, that Senator Best's reading, and the reading I have just given of our powers under the Constitution are the correct reading. I am, of course, supported in that view by the fact that, obviously, the same reading is followed by an extremely astute and careful lawyer in the person of the Attorney-General. It has been urged, first of all, that this Bill will be of no use, or that it will not accomplish the object Ministers have in view; and in some measure I am bound to endorse the latter portion of that view. I am afraid that it would be very difficult indeed to frame any law sufficient to cope with the genius and lack of scruple exercised by commercial people. Unfortunately all our experience in dealing with commercial men, and in investigating their methods, leads us to the conclusion that to successfully cope with the accomplishment of making profit there must be a very strong, very careful, and very comprehensive law. But I think that this Bill aims at restricting, retarding, and preventing an extremely baneful form of commerce. If it fails in its object, that is no argument against it, except as showing that it is not strong enough. It must be remembered that one of the arguments urged against the Bill is that it is stronger, more drastic, and more far-reaching in its provisions than the American laws, on which it is said to be founded.

Senator PLAYFORD. — That is Senator Symon's statement.

Senator TRENWITH. — Surely that is an argument in favour of the Bill? American laws obviously have failed; and their design was largely the design we have in our minds. To make a law exactly like the American laws that have failed would be extremely stupid, but to take the laws that have failed as a basis for laws that we hope will succeed, is by no means stupid. We have seen the points on which the American laws have failed, and we are trying in this Bill to build more perfectly, and make a law more efficient on the basis that has been presented by our American cousins. Failure anywhere, if we are wise, is not complete failure. Every failure is an indi-

cation of the road to success, just as navigation is made more secure and certain for the future by every wreck on a previously uncharted rock. A wreck, of course, is a failure in a particular instance of navigation, but a wreck on a rock not previously charted is a success in that it points to the means of avoiding similar wrecks in the future. To that extent the American efforts to control monopoly are not a complete failure, because they are enabling the American people, I hope, to discover some means by which they can completely achieve what they have sought to achieve in the past, and what, unfortunately, they have only partially succeeded in achieving. Senator Symon spent a good deal of time in urging that no necessity or demand had been proved for the Bill, and Senator Millen, in some degree, followed in the same direction. I venture to say that Senator Pearce and others have given very strong evidence that, whether there is power to control trusts—whether there is power to check and retard their baneful operations—there is no doubt as to the necessity. Trusts exist in a form that is extremely injurious to the whole human family. In America the trust in its various forms—and I believe, in most instances, consisting of the same individuals—has taken control of the American people, and is imposing on them disabilities and taxes of a most monstrous character. Mr. Charles Edward Russell, a writer who may be known to honorable senators, has recently published a most striking book on what he describes as the greatest trust in the world. The general impression is that there is only one greatest trust in the world, and that that is the trust which embraces all the trusts in the United States—that they are not separate institutions, but one institution under several names. That is the trust with which, before I have concluded, I shall show we have been threatened in a most flagrant, and, unless we take some steps, extremely dangerous, manner. Mr. Russell says in most striking words at the opening of his book—

In the free republic of the United States of America is a power greater than the Government—

That is what the trusts have come to—a power greater than the Government of 80,000,000 of people—

greater than the Courts or the Judges, greater than Legislatures, superior to and independent of all authority of state or nation.

That is the magnitude trusts have reached in America.

Senator DOBSON.—That is greatly owing to corruption.

Senator TRENWITH.—I am not now concerned with what trusts are owing to; I am dealing with the fact of their existence.

It is a greater power than in the history of men has been exercised by king, emperor, or irresponsible oligarchy. In a democracy it has established a practical empire more important than Tamerlaine's, and ruled with a sway as certain. In a country of law, it exists and proceeds in defiance of law.

Therefore, there is some reason to doubt whether this Bill will be completely effective. That, however, is no reason for not passing the measure, but rather a reason for passing it quickly, and finding out, if we can, where lie its defects, and then framing a law which shall not be ineffective.

In a country historically proud of its institutions, it establishes unchecked a condition that refutes and nullifies the significance of those institutions. We have grown familiar in this country with many phases of the mania of money-getting, and the evil it may work to mankind at large; we have seen none so strange and alarming as this of which I write. Names change, details change; but when the facts of these actual conditions are laid bare it will puzzle a thoughtful man to say wherein the rule of the great power now to be described differs in any essential from the rule of a feudal tyrant in the darkness of the Middle Ages.

Three times a day this power comes to the table of every household in America, rich or poor, great or small, known or unknown; it comes there and extorts its tribute. It crosses the ocean, and makes its presence felt in multitudes of homes that would not know how to give it a name. It controls prices and regulates traffic in a thousand markets. It changes conditions, and builds up and pulls down industries; it makes men poor or rich as it will; it controls or establishes or obliterates vast enterprises across the civilized circuit. Its lightest word affects men on the plains of Argentina or the by-streets of London.

In another passage this writer speaks of the operations of the trusts, and says that to refer to the law in connexion with them is to "make the initiated laugh." We have had evidence in the last few weeks of the truth of that statement. J. B. Rockefeller, who is said to have an income of £8,000,000, and who lives in such a manner and style as to make it very difficult for him to hide himself, could not be found when he was summoned by the Courts in America to attend and give evidence. All the power of the American Government and of the Courts could not compel this man to appear and do his duty as a citizen; and

he was not found until it was decided that, instead of his evidence, that of some understrapper in connexion with the trust should be taken.

Senator STEWART.—They did not look for him.

Senator TRENWITH.—His influence was sufficient to prevent his being looked for. I am pointing out the awful power of these combinations. However, there was no trouble at all in finding Mr. Rockefeller when it was decided that his evidence could be dispensed with. I refer to those baneful organizations in America to show the necessity for this Bill. It may be said that the facts disclose a reason why something more should be done in America, but that we have no trusts in Australia. Suppose, for argument sake, that that were true, it would not be a reason against the Bill. Legislation is ineffective in America largely because it comes too late. Those trusts had attained such a position, and such power, that legislation has proved ineffective to follow them. Legislation might easily have checked the trusts if it had been in advance, but it has proved ineffective to follow. I venture to say, however, that we have trusts in Australia in active operation, and I shall endeavour to show the method by which they work. It has been frequently declared during this discussion that this Bill is the result of the energy and activity of a single individual, who has been described in various terms of opprobrium as "Hugh Victorious" McKay, "Greedy" McKay, "Mean, Grabbing, and Grasping" McKay. Senator BEST.—And the "real McKay."

Senator TRENWITH.—And the "real McKay."

Senator PULSFORD.—The honorable senator knows this gentleman very well.

Senator TRENWITH.—I do; I know most of the manufacturers of Victoria very well indeed. I know a good many of the manufacturers of Australia. There are, indeed, many of them who are my own friends, and whom I have known for long. I made it an object of consideration for many years how best we could assist by legislative action to develop the manufacturing industries of Australia. I do not know that it is any reproach to know manufacturers. I know both them and their workmen very well indeed; and in connexion with this industry, since the present difficulty has arisen, I have been in communication with several thousands of people. Touching this particular individual, it ap-

pears, in the opinion of some people, to be an offence that he is now doing pretty well. I am inclined to believe, and certainly I hope, that he is doing well.

Senator PULSFORD.—The honorable senator knows that he is.

Senator TRENWITH.—As a matter of fact, I do not; but I have very good reason to believe it. But I do know, from actual observation, that there were very many years when he was doing extremely badly. That was when he was endeavouring, in the face of adverse circumstances, to develop an instrument of production that has proved to be of value to Australia to the extent of many millions of pounds. At that time, as I say, he was doing very badly.

Senator FINDLEY.—In what year was he doing badly?

Senator TRENWITH. — It was about twenty years ago. I have known him so long. I know of his struggles of long ago, and am well aware that he had to contend against the most adverse circumstances in the beginning. The invention of which he had possession, partly acquired and partly the result of his own genius, was then imperfect. He had to make trial after trial to get over the difficulties in connexion with it. After he had developed it, and had created a machine that was really effective, he had to contend with the natural conservatism of people who were afraid to risk a large sum of money in what might turn out to be a failure. Although Mr. McKay has been struggling along and doing some business during the last twenty-four or twenty-five years, it is really only six or seven years since this particular machine took hold, and it can only be within that time that Mr. McKay, or any one else in this country, has been doing well out of the industry. But honorable senators do not get up and fume with wrath when they hear of some person who, by reason of his inventive genius, is doing well out of some other industry. It is, for instance, a matter of common knowledge that the inventor of a little instrument that will go into one's waistcoat pocket, and the useful service of which is merely to prick the end of a cigar, has made a large fortune out of it. I do not hear of any one getting very wrath about that. It should not be a matter for condemnation, nor for the use of foul epithets and offensive names, that an Australian citizen has had the indomitable perseverance to stick to his work—to hold on in the face of difficulties under

which many men would have gone down. I should think that it is rather a matter for approbation and approval—a matter about which we ought rather to be proud—certainly not a matter about which terms like “greedy” and “grasping” should be used. It has been said that Mr. McKay is making £30,000 a year. I do not know whether that be so. I hope that he is. But if we remember that, throughout the whole of the early period of his manufacturing career, he was often in serious financial straits, and if we consider his period of well-doing in connexion with the whole extent of his operations, it would not appear to be a very large sum, after all. I merely mention that because I think it is due to ourselves that we should not look upon it as a matter for reprehension that an Australian citizen—

Senator PLAYFORD.—No one does.

Senator TRENWITH.—It has been urged in this Chamber more than once with an accent of intense bitterness, and in terms that are certainly not commendatory, that Mr. McKay is now making a large sum of money.

Senator STEWART.—Twenty thousand pounds a year.

Senator TRENWITH.—I hope so. Certainly he deserves it, for he has conferred upon this country a very great benefit.

Senator STEWART.—Hear, hear.

Senator TRENWITH.—Of course, he did not do it out of pure patriotism. He did it as a business venture. But the result is that he has conferred an enormous benefit upon the arid portions of this Commonwealth, because he has enabled those dry areas to be profitably devoted to wheat growing, which could not have been done with any reasonable prospect of success, except for the introduction of the harvester or a similar machine. I remember hearing a member of another place, speaking, not in Parliament itself, upon this question, declare as an agriculturist, that it was due almost entirely to the pluck, energy, and invention of the agricultural implement makers of Australia that wheat-growing in our great northern areas has been rendered possible. That opinion was expressed by the Honorable Thomas Kennedy. Even if Mr. McKay is now beginning to reap the fruits of his life's work, no one ought to complain, and he certainly has the right to try to prevent his labours being nullified and frustrated.

Senator FINDLEY.—He is not the only one who has developed the agricultural machinery of the country.

Senator TRENWITH.—My honorable friend is quite right, but Mr. McKay has been the only man who has been singled out for attack. The manufacturers as a body have made an appeal. Here are some of the names upon it: T. Robinson and Company, H. V. McKay and Company, Beard and Sisson, the Clyde Engineering Works, New South Wales, Meadow Bank Works, New South Wales, Thomas Martin and Company, Gawler, May Brothers, Gawler, Hawke and Company, Kapunda, Rollin and Company, Nicholson and Morrow, and a number of others. These firms have not been referred to; and that is why I have occupied time in calling attention to what seems to me to be the undue vilification of Mr. McKay in the course of this debate. There is another danger in connexion with trusts which it seems to me we have to consider. Senator Symon says that there are none in this country. Singularly enough, however, he himself has offered strong evidence of the danger. If honorable senators will bear with me for a moment, I will read an extract from his argument, in which he gave very strong evidence of that which he denied. Of course, Senator Symon adopted the attitude of an advocate. It is very hard, I suppose, to a person who is continually engaged in the legal profession to escape from the atmosphere of the Courts.

Senator PULSFORD.—The honorable senator is copying his example very well in that respect.

Senator TRENWITH.—If that be so, I hope it is a good example, because I like to be "weary in well doing." Senator Symon tells us in his speech that it has been alleged that the South Australian industry was crushed out. He did not say where that was alleged. I have never heard of such an allegation. I have heard it alleged, and I think the allegation is justified, that there is an extreme danger of not only the South Australian, but the Australian industry in stripper harvesters being crushed out in the very near future, unless some such legislation as this is passed. But Senator Symon furnished the evidence in the figures which he quoted. He said—

In 1900, in South Australia, the International Harvester Company sold no harvesters; the

Massey-Harris Company none; McKay of Victoria sold twenty.

If the honorable and learned senator had taken the trouble to inquire he would have found that Mr. McKay was the only person in Victoria making them at that time. He was the man who had persevered against all difficulties until he had made a success of this machine.

Senator FINDLEY.—There were other Victorian manufacturers.

Senator TRENWITH.—He was the only one of any consequence in Victoria. Senator Symon said—

In 1901 the International Harvester Company sold none; the Massey-Harris Company none; McKay of Victoria increased his sales to seventy; Nicholson and Morrow, of Victoria, sold thirty-six; Robinson and Company, of Victoria, ten; and the South Australian manufacturers sold none.

They had not started to make them.

In 1902 the International Harvester Company sold none; the Massey-Harris Company 52; McKay, of Victoria, 100; Nicholson and Morrow, of Victoria, 12; Robinson and Company, of Victoria, 25.

The first time that the importers declared that they were going to have this trade in their hands at all costs was in 1902. In that year they sold fifty-two. In 1903—

The International Harvester Company sold none; the Massey-Harris Company, 129; McKay, 175; Nicholson and Morrow, none; Robinson and Company, 75; May Bros., of South Australia, 55; Martin and Company, 20; and Hawke and Company, 20. In 1904 the International Harvester Company sold 25; the Massey-Harris Company, 464; McKay, of Victoria, 360; Nicholson and Morrow, 35; Robinson and Company, 150; May Brothers, of South Australia, 200; Martin and Company, 40; and Hawke and Company, 30.

In 1905—that is the last year for which Senator Symon gave any figures—

the International Harvester Company sold 100; the Massey-Harris Company, 199; McKay, of Victoria, 250; Nicholson and Morrow, 45; Robinson and Company, 100; May Brothers and Company, of South Australia, 75; Martin and Company, 35; and Hawke and Company, 35.

What happened? In South Australia—where the machine is more generally needed and of greater use than it is in other States—the Australians and the importers sold in all 603 machines. Out of that number the importers sold 290, or very nearly one half. Although one section have been in operation for only two years, and the other section for three years, yet they have already secured very nearly half the trade.

Senator CROFT.—They will get the other half pretty soon.

Senator TRENWITH.—I think, as Senator Symon has shown, that there is a great danger that in accordance with the boast of these people, the trade will be entirely taken in the very near future.

Senator PULSFORD.—Did not the importers sell more in the year before?

Senator TRENWITH.—Yes, and so did the Australians, but the fact is that after three years' operation, these people have obtained very nearly half the trade in stripper harvesters. What the Australian manufacturers declare is that there is a very great danger of this Australian industry being entirely crushed out. Surely these figures indicate that that apprehension is not unfounded, and that is the justification for the Bill.

Senator MACFARLANE.—McKay is competing against them successfully in South America.

Senator TRENWITH.—So far as I know, the outside companies have not started to export to South America. I do not deny that McKay was the first to export to South America. But surely that is not a subject for reprobation.

Senator PULSFORD.—Of course not.

Senator TRENWITH.—The fact that we have been able to develop an industry which will do an immense amount of good, which will facilitate the operations of our own agriculturists and enable us to initiate an export trade, is rather a matter for congratulation. It is an industry which we ought to exert every energy to maintain and to extend, rather than to condemn and reprobate as has been done.

Senator MACFARLANE.—No; we do not condemn it.

Senator TRENWITH.—It is said that this is a Bill to prohibit cheapness, and prevent the consumers of Australia from getting bargains, and some persons have gone the length of saying that the consumer is not considered at all in its provisions. In this country, there are very few persons who are not consumers. There are a few lawyers and doctors and thieves—

Senator MCGREGOR.—Thieves!

Senator TRENWITH.—I do not use this conjunction at all offensively.

Senator MILLEN.—To whom?

Senator TRENWITH.—To any one except, perhaps, the thieves.

Senator FINDLEY.—It has no application.

Senator TRENWITH.—It has an application. The man who will not work, but thieves for a living, is a non-producer. It happens that lawyers, doctors, clergymen, and some other persons are non-producers—of course, it is not an offence to be a non-producer. In the Commonwealth there are very few non-producers, and therefore when we consider the interests of the producers, we also consider the interests of the consumers.

Senator MCGREGOR.—Do not the thieves make work for the lawyers?

Senator TRENWITH.—I would rather pursue the argument on my own lines; in fact, I do not want to have attributed to me thoughts which are not in my mind. It will generally be admitted that a producer, who, of course, is also a consumer, has interests both as a producer and as a consumer, but it will be admitted at once, I think, that the former are very much greater than the latter, because every producer produces in order to acquire from day to day what is necessary for him to consume, and, in addition, to put by some money for a rainy day, or to enable him to consume more liberally in times that are to come. Suppose that the accusation is true that in the Bill we are considering merely the interests of the producer. I reply that we are considering the interests of the consumer at the same time. But the statement is not true. The object of the Bill is to liberate the consumer from the machinations of persons who happen to be enthralled, enslaved, and taxed. In reply to Senator Symon the other evening, I interjected that cheapness is often the prelude to dearthness. Cheapness is not necessarily an advantage, and it certainly is a disadvantage if the object of the present cheapness is to bring about a period of continued and extended dearthness. There are numerous instances where combinations have resorted to cheapness in order to create dearthness to be of an increasing and enduring character. In his book, Mr. Russell says at page 177—

The city butchers were solidly united, determined, and ably led. The public was aroused; its sympathies were wholly on the side of the butchers. The people of San Francisco have convictions in favour of transacting their own business in their own way, and they seem to entertain much doubt as to the essential benevolence of monopolies. Plain intimations were made that if the trust attempted in San Francisco the methods it had pursued elsewhere, results (I

translate freely) might follow inimical to the highest physical welfare of the trust gentlemen.

In their own interest, the people of San Francisco threatened physical violence against a proposed cheapness of the trust which was designed to kill existing competition, with a view subsequently to create dearness, and a recorded instance is given where, in Chicago, a butcher who resisted their efforts, had a shop started next door to him, where meat was given away. That is what my honorable friends opposite are looking for—something extremely cheap. Why did the trust give away the meat? That is what we have to consider, and that consideration underlies the Bill. Its object is to prevent baneful cheapness, initiated with the design of creating a monopoly, that is intended to bring about dearness extremely prejudicial to the well-being of the consumer and the producer. I propose to show very briefly some of the methods which the combination is adopting in Australia, as evidence that there is a very grave danger. In a statutory declaration made by Mr. Moore, of T. Robinson and Company, he affirmed that the representative of the American trust said to him, "We have 90 per cent. of the world's trade in harvesters, and we are going to have the other tenth, whatever it costs."

Senator MILLEN.—Does the honorable senator attach much importance to what the commercial traveller for a company would say?

Senator TRENWITH.—No, if it were not part of a chain of evidence; but I shall show presently that there is every justification for believing the statement, from the fact that operations have been entered into in the direction of obtaining at very great cost the trade of Australia. The statutory declaration is some justification for believing that the statement is truthful. If that were all, I should not attach a great deal of importance to it. But what are the methods adopted? We have also evidence that these companies, in order to sell their goods in our market—a very proper thing to do—have resorted to extraordinary means. They have endeavoured at some cost to belittle the Australian product. Mr. H. V. McKay gave evidence on oath that they purchased some of his machines at a cost of £90 each, and sold them for £75 each. There must be some other cause for losing £15 on a machine than merely belittling the product of an opponent. How did this

operate? "Can I sell you a McCormick or a Deering stripper-harvester?" "Oh, no; I prefer a Sunshine harvester." "Oh, do you? Well, I am astonished to hear that. But if you would sooner have a Sunshine we can sell you one for £75." Do honorable senators see the baneful effect of the method?

Senator PULSFORD.—That is very thin.

Senator TRENWITH.—It may be thin, but it is true. The statement is made upon oath, and is capable of verification.

Senator FINDLEY.—There has been no reply to that statement.

Senator TRENWITH.—So far as I know, there has not been a reply to the statement of Mr. H. V. McKay. But that does not appear to be the only instance of the kind. In his evidence before the Tariff Commission, Mr. Mitchell stated that the outside companies resorted to the same method with reference to his machines. Referring to his seed drill, they said, "Can we sell you a 'Superior' seed drill?" The answer is, "No, I prefer a 'Mitchell' drill." Then they say, "Oh, well, we can let you have a 'Mitchell,'" and they have, so Mitchell says, purchased his drill in order to have it to sell to a man who declares that he would sooner have a Mitchell drill, in order to prevent him from making a sale. He declares, and his evidence was given on oath, that on the back of their conditions of contract they have a provision that if purchasers do not like the "Superior" they can change it for a "Mitchell" drill. These are methods which cannot be described as generous. I do not think they can be described as fair.

Senator PEARCE.—Do they offer to sell the "Mitchell" drills at a lower price than that for which Mitchell sells them?

Senator TRENWITH.—I am unable to say. That is not stated, but with respect to the harvester it is stated that they gave £95 cash for it, and sold it at £75.

Senator PULSFORD.—That is good business for McKay.

Senator TRENWITH.—It would be, of course, if all the business were to be conducted on similar lines, but when the object of that business—the purchase of a few machines—is to belittle all the machines which McKay makes, and to create an impression that is not right, it is not good business for McKay, and it is not fair or honest business for the International Har-

vester Company, or for any one else who adopts it.

Senator MULCAHY.—They do not make McKay's machines less effective by selling them for £20 less.

Senator TRENWITH. — But they do this: If Senator Mulcahy, having no knowledge of these machines, desired to buy one, and some firm told him that they had a machine for sale at £80 or £90, and another which they could sell for £75—

Senator MULCAHY.—And which he had asked for. I am quoting the honorable senator's own story.

Senator TRENWITH.—I am sure the honorable senator will permit me to continue. I use the illustration that he is looking for one of these machines. He hears that there are two on the market, one selling at £80 or £81, and the other at £75, and being anxious to have the best he would very likely do as people often do, and as I frequently do myself, when I go to purchase anything of which I have no particular knowledge, and that is, assume that the best is the higher-priced machine.

Senator MILLEN.—Then the higher the price which McKay puts on his machines the more people will look for them.

Senator TRENWITH. — That is my honorable friend's police court method of arriving at a conclusion.

Senator MILLEN.—That is the conclusion from the honorable senator's logic.

Senator TRENWITH.—The fact is that that is what was done, and it naturally might convey another impression extremely baneful. McKay was selling his machines in Victoria for £84 cash, and landed in South Australia for £90 cash. If the International Harvester Company or the Massey-Harris Company could sell them for £75, the inference might very naturally be that McKay was treating his own customers unfairly.

Senator DRAKE.—No, the inference, according to the honorable senator, would be that the Massey-Harris machine was not as good, because the price was lower.

Senator TRENWITH. — Clearly if a person had to give McKay £90 for a machine which he could get from the Massey-Harris Company for £75, the inference would be that McKay was giving these companies an unfair advantage, and that might naturally raise a certain amount of indignation in the minds of prospective customers

and lead them to say, "We will not have his machines at all."

Senator DRAKE.—That is not the way in which the honorable senator was reasoning just now.

Senator TRENWITH.—I do not suppose that even Senator Drake believes that the International Harvester Company gave £95 for McKay's machine, and sold it at £75 for the good of their health.

Senator DRAKE.—The honorable senator was contending that if a machine was sold cheaply, it would not be considered so good.

Senator TRENWITH.—I believe that people would naturally say if the Massey-Harris Company or the International Company could sell for £75, what they had to pay £95 for to McKay, those companies would be getting an unfair advantage as compared with the legitimate customers of the Sunshine Harvester firm. At any rate, there was an object in view, and I say that it was to belittle, to undermine, and to destroy the Australian industry.

Senator STEWART.—Hear, hear; anybody could see that.

Senator TRENWITH.—I go further, and I say from their own figures that they are now selling, and for many months have been selling harvesters at a loss of from £10 to £12. Are they doing that for the good of their health?

Senator FINDLEY.—The honorable senator will find it very difficult to prove that.

Senator TRENWITH.—I shall try to prove it from their own figures. They may not be capable of telling the truth, or they may resort to untruths as a method of diversion. I do not know, but they certainly ought to know, and I propose to quote their own figures, from several communications from themselves. Honorable senators will remember that the International Harvester Company sought to get their machines through the Customs at an invoice price of £26.

Senator PLAYFORD.—They did get them through at that price for a time.

Senator TRENWITH.—I was not aware of that, but I know that they sought to do so, whether they succeeded or not, and I am now testing their credibility. They sought to get their machines through at an invoice price of £26. Subsequently the valuation was raised to £38 10s., and later to £65. They made no demur of any importance to the raising of the valuation to £38 10s., but when it was raised to £65,

they said that that was monstrous, and they issued copies of a circular with, a very badly drawn apple tree, which they circulated throughout Australia in tens of thousands.

Senator MCGREGOR.—For fun, I suppose.

Senator TRENWITH.—For the good of their health. There is on the circular a representation of two machines, with the words—

These are the harvesters the local manufacturers are afraid of. The ones that sell for £81, and are invoiced to us at £38 10s. 10d.

I wish honorable senators to remember that. If that is true, they could not have been speaking the truth when they said that they were invoiced at £26.

Senator PULSFORD.—It may have been quite true. The £26 is the value on the other side, according to the requirements of the Customs Act.

Senator TRENWITH.—The invoice is the value on the other side, but the Customs adds 10 per cent. and charges duty on the value on the other side, plus 10 per cent. But what I wish to nail down just now is this—

Senator PULSFORD.—The honorable senator omits the freight.

Senator TRENWITH.—Senator Pulsford will pardon me. I know that what I am saying is very irritating to a man of his temperament.

Senator PULSFORD.—I am more amused than irritated.

Senator TRENWITH.—Then I am glad to hear it.

Senator MCGREGOR.—The honorable senator is very anxious to defend the swindler.

Senator PULSFORD.—I rise to a point of order. Is Senator McGregor in order in saying that I wish to defend the swindler?

The PRESIDENT.—I do not think the honorable senator is in order. I did not hear the interjection, but the honorable senator ought not to make such an observation.

Senator MCGREGOR.—I withdraw it.

Senator TRENWITH.—I would not charge Senator Pulsford with a desire to defend any person in wrong-doing. I do not think the honorable senator would do that. I do not wish to be drawn away from the point. What I desire to nail down is that these people declared that the machines were invoiced to them at £26, and in this circular they say, "invoiced to us at £38 10s. 10d." Of course, both of those state-

ments may be lies, but they certainly cannot both be true.

Senator FINDLEY.—The honorable senator is not putting the case correctly.

Senator TRENWITH.—Then I should like the honorable senator presently to put it correctly. What I am stating are facts. They sought, and some people say, that they actually achieved the passage of these machines through the Customs at a declared invoice value of £26, and yet in this circular they say "invoiced to us at £38 10s. 10d." All I say, with respect to that is that, while both these statements cannot be true, it may easily happen that both are untrue.

Senator DRAKE.—Is the honorable senator referring to identically the same machines?

Senator TRENWITH.—The reference would not be to identically the same machines, but to the same kind of machine.

Senator DRAKE.—Then both statements might be true.

Senator TRENWITH.—For the gratification of Senator Drake I will permit the honorable and learned senator to think that both statements are true, because I have no power to do anything else. It appears to me that these two statements cannot both be true, though both may be untrue, and subsequent statements of the company lead us to the conclusion that possibly they are both untrue. They give in the circular a number of figures, and they say—
and hence reduce our profit as shown above to 5s. 9d.

Senator FINDLEY.—The honorable senator should do justice to the circular.

Senator TRENWITH.—Will Senator Findley suggest in what way I can do it more justice than I am doing?

Senator FINDLEY.—The honorable senator must be aware that the expense of £27 referred to in the circular is in accordance with a statement made by Mr. McKay, and not by the International Harvester Company.

Senator TRENWITH.—They indorse it, and they put it down as representing the whole of their expense.

Senator FINDLEY.—They say, "If that be so."

Senator MILLEN.—Are these McKay's figures again?

Senator TRENWITH.—No, this circular is a combined advertisement of the International Harvester Company and the Massey-Harris Company.

Senator FINDLEY.—The later figures referred to in the circular are those supplied by Mr. McKay.

Senator TRENWITH.—The honorable senator is wrong, but he will have an opportunity to speak later on. These companies say in this circular—

and hence reduces our profit as shown above to 5s. 9d.

That is, after all these charges; and they add pathetically—

Is that too much?

I venture to say that it is not. I admit that at that time they were carrying on business at a very moderate profit. But it appears that it was too much from their point of view. Subsequently an effort was made by the local manufacturers to secure an alteration of the Tariff from their point of view, and at a deputation the local manufacturers stated that if an adequate Tariff were given to them they felt confident that the increased output would enable them to reduce the price of their harvesters at once by £5. They made a promise to do that if the duty they asked for were imposed, and, further, to reduce the price by another £5 at the expiration of a period of twelve months, making a reduction of £10 in all. The International Harvester Company and the Massey-Harris people immediately issued this circular:—

On 4th October, 1905, a deputation of local manufacturers of harvesters waited upon the Minister of Customs, and intimated that if a prohibitive Tariff were declared upon harvesters they would reduce the prices then ruling by £5 the first year, and another £5 the second year. They were, however, so far as can be learned from press reports, suspiciously silent about what the third, fourth, and subsequent years were to bring forth *re* harvester prices.

They go on to say—

On 7th October the harvester buyers of Australia got action—they got performance instead of promises, they got something substantial now instead of vague, illusory promises to be realized on in the dim future; for on that date we made an open quotation on our harvesters as follows:—

Then follow various prices over periods with which I need not trouble honorable senators—

That is a "cut" of £12 10s. per harvester.

If they were getting 5s. 9d. profit when they sold the harvesters at £81, what profit are they getting when they sell them at £12 10s. less? That is rather a difficult problem to solve. I am giving these figures as they appear under the authority of the

trust or combine, of which we have every reason to be afraid. I shall quote another document to show how far we may rely on the members of this combine for truthful statements.

The PRESIDENT.—Do I understand the honorable senator to be arguing that there is a trust in existence here?

Senator TRENWITH.—My argument is to show that there is such a trust in operation, and that there is great danger to be apprehended from it. I thought I had made that point sufficiently clear. In a letter containing a reply to a leading article in the Melbourne Age—but which letter the Age did not publish—the Harvester Company say—

We wish to refer to leading article in your issue of 17th inst., in which you criticise our recent action *re* harvester prices:—

You quite aptly state that it is evident that either our former price of £81 was exorbitant, or that our present price of £70 is a "dumping" price.

Listen to what they proceed to say—

We have no hesitation in admitting that the former price of £81 was artificial, but we most emphatically deny that £70 is a dumping price, and in proof thereof would state—

Senator MILLEN.—May I ask if the £81, which they admit was excessive, was the price at which the combine, including Mr. McKay, agreed to sell?

Senator TRENWITH.—Yes; and in order to sell at that price Mr. McKay had to reduce his charge by £3. This shows that Mr. McKay's entrance into the combination was followed by a reduction in price from £84 to £81. Here we find a company which has no hesitation in admitting a lie.

Senator PULSFORD.—Oh, no.

Senator TRENWITH.—The company declared that it had insufficient profit at £81, and then had no hesitation in admitting that that was an "artificial" price. I have endeavoured to show, first of all—what is not disputed, indeed—that there is such a combination in America, and that its operations have extended to Australia. I have also shown by the figures presented by Senator Symon that there is a real danger of this combination crushing out our industry in view of the fact that, after two or three years' operations, the combine has secured very nearly half the trade.

Senator PULSFORD.—What nonsense!

Senator TRENWITH.— Senator Symon's figures show that to be the case in South Australia.

Senator PULSFORD.—Yes, in South Australia only.

Senator TRENWITH. — I am now speaking of Senator Symon's figures in relation to South Australia, which is the State where harvesters are more generally required than elsewhere in Australia; and in that State the company has obtained nearly half the trade. I am in a position to say, in answer to Senator Symon, that there is very serious complaint from the manufacturers of South Australia. I have a letter from Messrs. May Brothers, who assure me that their output this year is more than 50 per cent. less than it was last year, and this they attribute to the operations of American competitors—the foreign trust. Messrs. McKay recently, at a reunion of their work-people at Ballarat, declared that they have made 350 fewer machines this year than last, and this they also attribute entirely to the action of the Harvester Company.

Senator PULSFORD.—But the importation of harvesters is falling off rather than otherwise.

Senator TRENWITH.—The honorable senator cannot make that statement on the figures which are available. The importation of harvesters in 1904 was between 400 and 500, while, according to a return presented to the House of Representatives, it had increased in 1905 to 1,700. I have not the figures for this year, but those I have quoted show a very alarming increase. Honorable senators say that, if we check the importation, we shall injure or ruin the farmer, and that, after all, we must consider our great producing industries. Senator Gould urged that the producing industries are much more important than are the manufacturing industries, and that, whatever we do, we should be careful in fostering the one not to injure the other. I quite agree that in fostering the one we ought to be careful not to injure the other; but I contend that in fostering the one we are advancing the interests of the other. There is no doubt that Senator Gould was wrong when he said that the agricultural, pastoral, and dairying industries together were more important than the manufacturing industries, measured by the magnitude of the output. The honorable senator was wrong, not only in reference to the whole Commonwealth, but in reference to his own State, which is amongst the least developed in manufacturing production.

Senator MCGREGOR. — According to its possibilities, at any rate.

Senator TRENWITH.—As a matter of fact, New South Wales is amongst the least, if not the least, developed in this respect. The agricultural, dairying, and pastoral industries of New South Wales only aggregate a little over £21,000,000.

Senator PULSFORD.—The honorable senator is immensely wrong.

Senator TRENWITH. — I am quoting from *Coghlan*, though I dare say Senator Pulsford is a better authority.

Senator PULSFORD.—That is very likely.

Senator TRENWITH. — *Coghlan* gives the pastoral and dairying income for 1902 as something over £15,000,000. and the average agricultural income for the preceding five years at a little over £5,000,000, a total of something over £21,000,000.

Senator MILLEN.—What year is the honorable senator taking for the figures in regard to manufacturing?

Senator TRENWITH. — So far as I know, the year given is 1902.

Senator MILLEN. — Does the honorable senator regard that as a typical or normal year for pastoral pursuits?

Senator TRENWITH.—In order to be quite sure—

Senator MILLEN.—Why does the honorable senator select the most disastrous year New South Wales has had? Because it suits the honorable senator.

Senator TRENWITH.—I did not select the year, which happens to be the last for which figures are available.

Senator MILLEN.—That is not by any means the last year for which figures are available.

Senator TRENWITH.—It is the last year, so far as I know, for which there are complete figures.

Senator PULSFORD.—Would the honorable senator like me to give him the figures for last year, when the manufacturing industries in New South Wales represented £10,000,000. and all other industries £36,000,000?

Senator TRENWITH.—What does the honorable senator call "manufacturing industries"?

Senator PULSFORD. — All manufacturing industries.

Senator TRENWITH.—I venture to say that the honorable senator is quite wrong. Although I have not the figures, I cannot conceive it possible that the manufacturing industries of New South Wales should have declined from an output of £22,000,000 to £10,000,000.

Senator PULSFORD.—The honorable senator is including the cost of raw material.

Senator TRENWITH. — Does not the honorable senator take the original cost of raw material into account in estimating the yield of the pastoral and dairying industries? There cannot be an output from pastoral pursuits and agriculture without land and stock, and the cost of this raw material must be taken into account. In giving aggregate returns, I adopt a course that is equitable, whereas Senator Pulsford does not show a fair comparison. Further, in reference to the argument that if we are not careful we shall injure the producer, I desire to point out that in the States where this kind of interference has been greatest, agriculture has been developed to the largest extent. The most highly developed agricultural State in Australia is Victoria, where there have been more restrictions of the character referred to than in any of the other States. Senator Symon, when arguing the other evening that we should be careful in imposing such restrictions, proved at the same time that where they have been most resorted to the people have been the most prosperous. Senator Symon declared that the prosperity of Victoria is the greatest in the world, and, in proof, showed that the earning power in Canada is £16 5s. per head, in the United States £14 14s. per head, in the United Kingdom £7 18s. 6d. per head, and in Victoria £27 19s. 6d. Surely we ought not to be afraid of passing this Bill because it might mean some apparent restriction, and thus injure the farmer. As a matter of fact, Victoria, compared with New South Wales, has many disadvantages as a farming country. Victoria has about one-third the area, and is something like half the age of New South Wales, and yet the former State has over 1,000,000 acres more under cultivation. At the same time, the average yield per acre is of more value in New South Wales than it is in Victoria. The only reason why Victoria is so advanced is that she has had a different kind of legislation in which so-called restriction has been a large element. There is another very interesting comparison between New South Wales and Victoria that may be very properly given without any reflection on either State. The Savings Bank returns may be said to be an index to the diffusion of prosperity amongst the people. They are an index of the power of the poorer section of the community to put by something for a rainy day. Although New

South Wales is more than three times as large as Victoria, and although she has a splendid agricultural and pastoral country, the advantage of an enormous land revenue, and has borrowed during the last thirty years considerably more money than Victoria, yet, whilst 25 out of every 100 in New South Wales are depositors in Savings Bank, 37 out of every 100 are depositors in Victoria.

Senator PULSFORD.—Which people have the most money in the Savings Bank?

Senator TRENWITH.—The New South Wales people, and that is a stronger argument for the position I am taking up. As a matter of fact, the New South Wales Savings Bank gives a higher percentage of interest, and gives interest upon larger amounts, than the Victorian Savings Bank does. Consequently the Savings Bank in New South Wales is a field for investment.

The PRESIDENT.—Does the honorable senator think that that is relevant to the subject?

Senator TRENWITH.—I certainly do. I am now dealing with the argument that it is unwise and dangerous to pass legislation of this character because it restricts the flow of commerce. I am pointing out that in a country where there has been the greatest amount of so-called restriction there is the greatest general prosperity.

The PRESIDENT.—I think the honorable senator is in order.

Senator TRENWITH.—There is another point. *Coghlan* points out by referring to the probate duties how wealth is distributed amongst the people. He gives a return showing how many persons in each hundred who die leave over £100 to be administered by the Probate Office. He finds that in New South Wales 16.65 per cent. of those who die leave over £100. In Victoria, the percentage is 24.18. That shows a very general diffusion of wealth in this State. What we are seeking is not the aggregation of wealth in a few hands. One of the charges against legislation such as I support is that it will make a few manufacturers wealthy. I point to these figures as showing that the State in which the people have been able to save the most, as shown by the records, is that State in which legislation has been most in accordance with the ideas which I advocate. *Coghlan* goes on to say—

These figures show a distribution of property not to be paralleled in any other part of the world; and in a country where so much is said about the poor growing poorer and the rich

richer, it is pleasing to find that in the whole population one in six is the possessor of property, and that the ratio of distribution has been increasing with fair regularity in every province of the group. Victoria has the widest diffusion of wealth of the individual States; South Australia comes next to Victoria; then comes New Zealand.

It is rather significant that the order of wide distribution of wealth is in the degree to which States have resorted to this kind of legislation. Therefore, I think honorable senators will see first of all that I have shown that there is some real substantial danger; and then that there is no proof of our general prosperity being retarded by taking such action. Some figures have been quoted, and I think I may say have hardly been fairly quoted, by Senator Symon in relation to the increase in the number of agricultural implement makers employed. Perhaps at this stage, however, I may ask leave to continue my remarks to-morrow.

Leave granted; debate adjourned.

PAPERS.

Senator PLAYFORD laid upon the table the following papers:—

Report of the Imperial Defence Committee upon a general scheme of defence for Australia.

Memorandum respecting the proclamation of the Papua Act, and draft letter *re* the appointment of a Royal Commission to inquire into the affairs of British New Guinea.

Senate adjourned at 10.40 p.m.

House of Representatives.

Wednesday, 15 August, 1906.

Mr. SPEAKER took the chair at 2.30 p.m., and read prayers.

IMPERIAL DEFENCE COMMITTEE'S REPORT.

Mr. KELLY.—I desire to ask the Prime Minister, without notice, if it is correct, as stated in the press, that the Imperial Defence Committee has no objection to the publication of its report? If so, will the Government make the report available to honorable members before the Defence Estimates come up for discussion.

Mr. DEAKIN.—The statement is correct.

Mr. KELLY.—I desire to ask the Prime Minister whether it is the intention of the

Government to proceed to act this session on the recommendations of the Imperial Defence Committee — recommendations which they themselves sought at considerable expense to the Commonwealth?

Mr. DEAKIN.—Some of the recommendations are now in course of being acted upon. With regard to other recommendations, reports are being prepared by the officers of the Department as to the extent to which it will be desirable to introduce them during the current year.

PAPER.

Mr. DEAKIN laid upon the table the following paper—

Report, of the Imperial Defence Committee upon a general scheme of defence for Australia.

ADMINISTRATION OF PAPUA.

Mr. HUGHES.—Will the Prime Minister, before the appointment of the Royal Commission to which he referred yesterday, give the House an opportunity to discuss the policy of the Government in reference to Papua?

Mr. DEAKIN.—I shall be glad to do so, if possible. It will be necessary to act promptly, because the service to New Guinea is a monthly one, the next steamer, by which I am desirous that the Commissioners shall travel, so that they may report this year, leaving before the end of this month.

OBSOLETE WAR VESSELS.

Sir LANGDON BONYTHON.—I wish to know from the Prime Minister if any of the obsolete war vessels formerly on the Australian station, which have recently been sold in England for a mere song, were offered to the Commonwealth Government?

Mr. DEAKIN.—Not that I am aware.

PREROGATIVE OF PARDON.

Mr. CROUCH.—In reference to the statement appearing in to-day's newspapers, that application has been made to the Imperial Government for the pardon of certain convicts in Western Australia, I wish to know from the Prime Minister if such application is necessary. Has not the Governor-General authority to pardon any Australian resident?

Mr. DEAKIN.—The cases in question were brought under notice by the honorable member for Coolgardie, who pointed out that in Western Australia a number of prisoners who were transported long years ago to that State for offences, most of

which were not serious, are now serving sentences. He asked that they be pardoned. The assent of His Majesty was required for their release.

DUTY ON HARVESTERS.

Mr. BRUCE SMITH.—I wish to know from the Prime Minister whether it was with his knowledge and consent that, in an action against the Commonwealth, concerning the duty on harvesters, application to the Court for a Commission to inquire in Canada into the actual cost of harvesters there was opposed on behalf of the Government.

Mr. DEAKIN.—This is apparently a personal question.

Mr. BRUCE SMITH.—I addressed it to the honorable and learned member as Prime Minister.

Mr. DEAKIN.—It would not be necessary to refer such a matter to me, and so far as I recollect, no such reference was made.

Mr. BRUCE SMITH.—Then I wish to ask the Attorney-General whether he was aware of, and approved, the opposition to the application for a Commission to inquire in Canada as to the real value of the harvesters.

Mr. ISAACS.—The question affects to some extent an action now pending in the Courts. Speaking from recollection—I may have to correct my statements after reference to the papers in the case—the matter was brought under my notice only prior to the appeal being heard by the Full Court of Victoria. I think that that is the case to which the honorable and learned member is referring.

Mr. BRUCE SMITH.—I am speaking of a new action, in which a Commission was asked to inquire into the cost of harvesters in Canada.

Sir JOHN QUICK.—It is an old action.

Mr. ISAACS.—If the honorable and learned member is not referring to something which has been done in an action in the Supreme Court of Victoria, I know nothing about the matter.

Sir JOHN QUICK.—The honorable and learned member is referring to the action in the Supreme Court of Victoria.

Mr. ISAACS.—An appeal was proceeded with, with my sanction, and I can give the honorable and learned member the reason for the action which has been taken. I think that it would be an unnecessary and great waste of money to have the Commission, because the defence raised upon the pleadings is that, exercising his powers

under the Customs Act, the Minister of Trade and Customs has fixed the value on which duty is to be paid at £65. My desire was to have the point of law thus raised decided before the enormous expense of the Commission is entered upon. If the point of law were determined in favour of the Commonwealth—as, according to my reading of the Act it should be—it would be unnecessary for either party to go to the expense of having a Commission appointed. On the other hand, if the point of law were determined against the Commonwealth, the Commission could proceed. It was with the desire to save unnecessary expense, not to shut out facts, that the appeal was proceeded with.

Mr. BRUCE SMITH.—Is the honorable and learned gentleman aware that the Minister of Trade and Customs gave it as his reason for raising the valuation of the harvesters that their cost in Canada had been misrepresented to him?

Mr. ISAACS.—I am afraid that that question travels beyond the pleadings, and is irrelevant to the point first raised by the honorable and learned member. The reason that actuated me in assenting to the appeal advised by learned counsel was that which I have just given.

Mr. JOSEPH COOK.—Is the Attorney-General aware that the Minister of Trade and Customs told the House and the country that he would facilitate in every way the action of the Massey-Harris Company in seeking to prove the Canadian price of their harvesters? If the Government regard the appointment of a Commission to take evidence in Canada on the subject as a waste of money, because the Minister has the absolute right to impose what duty he pleases, and take action accordingly, they will do so in total contradiction to the Minister's statement.

Mr. ISAACS.—I do not desire to enter into any question of fact which may affect the trial of the action hereafter. I was asked a question, to reply to which I thought would not affect it, and I have given the answer that, on the pleadings as they stand, a very important constitutional and legal point is raised, namely, as to whether the Minister of Trade and Customs has power, under section 160 of the Customs Act, to determine in cases of doubt what shall be the valuation for duty of any particular import.

Mr. JOSEPH COOK.—The Minister declared that he would not take advantage of that technical defence.

Mr. ISAACS.—It is very important that the point shall be determined. I am not aware that the Minister made the statement attributed to him by the honorable member, though that is not relevant to my position as Attorney-General in assenting to the appeal advised by counsel on the pleadings. I think that I have sufficiently answered the questions which have been asked, and honorable members will forgive me if I do not enter upon a matter which, if entered upon as a question of fact, might interfere with the trial of the action hereafter.

Mr. JOSEPH COOK.—Are we to understand that, if it is decided that the Minister has power to increase the valuation, the Government will oppose the application for a Commission to take evidence in Canada?

Mr. ISAACS.—The question as to whether there shall or shall not be a Commission is entirely in the hands of the Court. I have had no notice of these questions, and the papers dealing with the case are complicated; but, speaking from recollection, I understand that the learned Judge who granted the Commission to some extent expressed the opinion that it might prove unnecessary, making a special order as to costs; but, inasmuch as the plaintiff insisted on the appointment of the Commission, he did not find it within his province to refuse it. I understand, moreover, that the Full Court has refused to interfere with his exercise of his discretion, though one of the Judges would have been disposed to make a different order. That is how the matter stands. It is of the highest importance to have the point of law decided whether the Minister under the circumstances of difficulty already indicated by Parliament, can, by virtue of section 160 of the Customs Act, fix a valuation for duty which cannot be impeached or set aside as a nullity.

Mr. BRUCE SMITH.—Has the High Court ordered the Commission?

Mr. ISAACS.—The Victorian Supreme Court. The matter has not come before the High Court. As things stand, the Commission will go, but in the meantime the question of law may or may not be determined in another action now pending in South Australia. We desire to have that question of law determined. If the Commission goes, it will be an unnecessary expense.

Mr. JOSEPH COOK.—The Minister of Trade and Customs said that he would not

take such action as appears to have been taken by the Government.

Mr. ISAACS.—I am not aware that my honorable colleague has done so. If he has made any such statement, the fact can be easily demonstrated. We simply rely on the pleadings as they stand. That is how the matter rests.

Mr. BRUCE SMITH.—Is the Attorney-General aware that yesterday, in the Supreme Court of South Australia, an application was made to the Full Court to compel a defendant—the Minister of Trade and Customs—to give particulars in a similar action touching the duty on harvesters, that the Minister refused, and that the Court ordered the particulars to be given?

Mr. ISAACS.—I saw some statement in regard to the matter in to-day's newspapers, but I deprecate the course of conduct which is now being pursued. Nothing could be more calculated to prejudice the fair trial of actions which are pending, and I must therefore decline to answer further questions on the subject.

ROBE—MOUNT GAMBIER TELEPHONE.

Sir LANGDON BONYTHON asked the Postmaster-General, *upon notice*—

When will telephonic communication be provided between Robe and Mount Gambier?

Mr. AUSTIN CHAPMAN.—The answer to the honorable member's question is as follows:—

The Deputy Postmaster-General, Adelaide, advises that telephonic communication between Robe and Mount Gambier will be completed during this week.

WHITE WORKERS: SUGAR INDUSTRY.

Mr. MAHON asked the Minister of External Affairs, *upon notice*—

1. Has his attention been drawn to the uncontradicted evidence on oath of Mr. F. Courtice, a sugar planter's employé, before the Sugar Industry Commission (Queensland) on 4th April, 1906, to the following effect:—

That white workers employed by Buss Bros., at Bonna, work 64 hours weekly for 18s. per week and food; that employés of Young Bros., of Fairymead and Avondale, receive for 58 hours' work 20s. weekly and rations; that the rule on these plantations is that if, owing to wet weather, the employés work less than a quarter of a day they receive no payment at all for their labour on that day; that "instead of the worker getting the benefit of the bounty the grower is putting a big percentage into

his own pocket"; that "the conditions existing on the plantations are such that no self-respecting man would stop there"; and that the planters in the Bundaberg district "take advantage of the glut in the market in the off season, and they give us just sufficient to live on in the crushing season. We cannot get married, because we know we cannot live with any reasonable amount of comfort on wages like they give now. The planters are running the sugar industry as a single man industry, as no married man can work under such conditions"?

Also to the following telegrams from Childers, which appears in the *Age* on 13th instant:—

"A serious strike has occurred among Young Bros.' cane-cutters. A considerable number of men were not cutting 2 tons a day, and the manager said they were not earning 30s. a week. The Lynwood men struck work and went to Hapsburg, where they called all the men out. All work is at a standstill, and the cane trains have stopped running."?

2. Have the complaints made on oath to the Commission respecting the treatment of white labourers, of which the following are samples, been brought under his notice:—

.. "The sanitary conditions were abominable, closets being placed in the vicinity of sleeping rooms."—G. P. Barber, M.L.A.

.. The workers "are not treated as white men. The farmers do not give them proper tucker. I have seen plenty of them provided with food cooked by an aboriginal gin, and that is not fair to white men."—A. Auzolin, cane farmer, Ingham.

.. The work is done by "white men, but under black men's conditions."—F. Courtice, Bundaberg.

Payment for "wet weather was stopped out of my wages. . . No white man with any independence would put up with the treatment I met with at the Mulgrave."—D. Lyon, general labourer, Cairns?

3. Are Buss Bros. and Young Bros. owners of "white plantations," within the meaning of the Sugar Bounty Act of 1905; and, if so, does he propose to withhold from them the bounty payable to growers of sugar by white labour, which the Minister is empowered to do by section 9 of the Act referred to?

4. What was the average rate of wages paid to white workers in the sugar industry in Queensland and New South Wales before the legalization of the sugar bounty, in 1901. Have the average wages of such workers been increased since; and, if so, when and by how much per week?

Mr. DEAKIN.—The answers to the honorable member's questions are as follows:—

1 and 2. The Commission's report has been received, but the portions of evidence mentioned by the honorable member had not specially been brought under notice.

3 and 4. Inquiries are now being made.

[100]—2

CLERKS: GENERAL POST OFFICE, SYDNEY.

Mr. HUGHES asked the Postmaster-General, *upon notice*—

1. What was the number of clerks in the General Post Office, Sydney, prior to the inauguration of the Commonwealth?

2. What is the present number?

3. How many clerical positions have been abolished since the transfer of this Department to the Commonwealth?

4. How many positions are there on the clerical staff at present unfilled?

5. In view of the large increase in the clerical work in the General Post Office, Sydney, since Federation, does he consider that this reduction was justifiable?

6. Considering the amount of overtime which the clerks are compelled to work at the office mentioned, will he take immediate steps to fill existing vacancies, and to augment the clerical staff, so that this overworking may cease?

Mr. AUSTIN CHAPMAN.—Inquiries are being made, and answers will be furnished as soon as possible.

Mr. JOHNSON.—I should like to know whether the Postmaster-General is in a position to answer my question of yesterday with regard to the report upon the work performed by the clerical officers in the General Post Office, Sydney?

Mr. AUSTIN CHAPMAN.—I shall be able to furnish a reply to-morrow.

HAWKER BOARD VOUCHERS.

Mr. MALONEY asked the Prime Minister, *upon notice*—

Has he yet ascertained from the Minister for Defence whether he will allow the vouchers for the money paid to military members of, and witnesses appearing before, the Hawker Board (referred to in question of the 7th instant), to be placed on the table in the Library for the information of honorable members?

Mr. DEAKIN.—Yes. The vouchers have been obtained from the Auditor-General, and are now on the Library table.

TELEGRAPH MESSENGERS' DUTIES.

Mr. HUGHES asked the Postmaster-General, *upon notice*—

1. How many telegraph messengers in New South Wales do letter carriers' duties only?

2. How many telegraph messengers perform the dual duties of letter carrier and telegraph messenger, and what is the number of hours worked by the same?

3. How many boys have received temporary employment to do letter carriers' duties during the absence of letter carriers on annual leave or accumulated holiday leave, and pending appointment of permanent officers to take up vacancies?

4. What is the salary paid to the boys for this work?

Mr. AUSTIN CHAPMAN.—Inquiries are being made, and answers will be furnished as soon as possible.

IPSWICH DEFENCE FORCES.

Mr. WILKINSON asked the Minister representing the Minister of Defence, *upon notice*—

1. Is there a Maxim gun lying at Brisbane which was intended for use at Ipswich, but has been withheld on the supposition that there is no one in the latter city competent to instruct the members of the local corps in the use of it?

2. If so, will he cause inquiries to be made as to the qualifications of officers—attached and unattached—in that district, within a radius of 15 miles, as shown by examinations?

Mr. DEAKIN.—There is no information in the office of the Central Administration relative to these matters, but inquiries will be made, and replies given to the honorable member as soon as received.

PENNY POSTAGE.

Mr. AUSTIN CHAPMAN.—In answer to the question asked yesterday by the honorable member for North Sydney, I desire to say that the following are the estimated numbers of letters per annum that would be affected by the proposed penny postage, namely :—

—	Inland.	Inter-State.	Beyond the Commonwealth.
N.S.W. ...	20,000,000	4,500,000	2,600,000
Victoria ...	Nil ...	3,750,000	2,600,000
Queensland	9,000,000	1,500,000	960,000
S.A. ...	12,600,000	1,500,000	700,000
W.A. ...	4,500,000	2,000,000	700,000
Tasmania...	2,500,000	1,750,000	440,000
Total ...	48,600,000	15,000,000	8,000,000

TARIFF.

In Committee of Ways and Means:

IMPORT AND EXCISE DUTIES ON SPIRITS.

Consideration resumed from 14th August (*vide* page 2771), on motion by Sir WILLIAM LYNE—

Import Duties on Spirits.

Division I., Item 2.—That in lieu of the following duties of Customs :—

- (a) Spirits and spirituous compounds, n.e.i., when not exceeding the strength of proof, per gallon... 14s.
- (b) Spirits when exceeding the strength of proof, per proof gallon ... 14s.

imposed by the Customs Tariff 1902, duties of Customs shall from the 2nd day of August, 1906, at 4.30 p.m. Victorian time, be imposed as follows :—

Dutiable Goods.	Duties.
SPIRITS—	

- (a) Spirits,† and spirituous compounds, n.e.i., when not exceeding the strength of proof, per gallon ... 15s.
- (b) When exceeding the strength of proof, per proof gallon ... 15s.

† Case spirits, in cases of 2 gallons and under, to be charged as 2 gallons; over 2 gallons, and not exceeding 3 gallons, as 3 gallons; over 3 gallons, and not exceeding 4 gallons, as 4 gallons; and so on.

Excise Duties on Spirits.

That in lieu of the duties of Excise imposed by the Excise Tariff 1902 on Spirits, duties of Excise shall from the 2nd day of August, 1906, at 4.30 p.m. Victorian time, be imposed upon spirits as follows :—

Excise Duties.

Dutiable Goods.	Duties.
SPIRITS, viz.—	

- 1. Brandy distilled wholly from grape wine by a pot still or similar process at a strength not exceeding 35 per cent. over proof matured by storage in wood for a period of not less than two years and certified by an officer to be pure brandy, per proof gallon ... 11s.
- 2. Blended brandy distilled partly from grape wine and partly from other materials, containing not less than 25 per cent. of pure grape wine spirit (which has been separately distilled by a pot still or similar process at a strength not exceeding 35 per cent. over proof) the whole being matured by storage in wood for a period of not less than two years and certified by an officer to be brandy so blended and matured, per proof gallon ... 12s.

- 3. Whisky, distilled wholly from barley malt by a pot still or similar process at a strength not exceeding 35 per cent. over proof matured by storage in wood for a period of not less than two years and certified by an officer to be pure malt whisky, per proof gallon ... 11s.
- 4. Blended whisky, distilled partly from barley malt and partly from other materials, containing not less than 25 per cent. of pure barley malt spirit (which has been separately distilled by a pot still or similar process at a strength not exceeding 35 per cent. over proof) the whole being matured by storage in wood for a period of not less than two years and certified by an officer to be whisky so blended and matured, per proof gallon ... 12s.

5. Rum, distilled from molasses by a pot still or similar process at a strength not exceeding 35 per cent. over proof matured by storage in wood for a period of not less than two years and certified by an officer to be pure rum, per proof gallon ... 13s.
6. Gin, distilled from barley malt, grain, or grape wine, matured by storage in wood for a period of not less than two years and certified by an officer to be pure gin, per proof gallon ... 13s.
7. Spirit n.e.i. matured by storage in wood for a period of not less than two years, per proof gallon ... 14s.
8. Spirit for industrial or scientific purposes, subject to regulations, per proof gallon ... 14s.
9. Spirits n.e.i., per proof gallon ... 40s.
10. Methylated spirit, subject to regulations ... Free
11. Spirit for fortifying Australian wine, to be used subject to regulations ... Free

Upon which Mr. WATSON had moved by way of amendment—

That after the word "proof," line 16, the following words be inserted:—"and when more than two years shall have elapsed either from the date of their first shipment or from the date of their distillation" be inserted.

Mr. FOWLER (Ferth) [2.49].—I regret that I am compelled to return to the discussion of the matter now before the Committee, after having taken up some little time last night. But it is the duty of the members of the Tariff Commission to meet the criticisms that have been levelled against their recommendations, more especially when certain members are under a total misapprehension as to their effect. I listened yesterday to some very elaborate, if not instructive, disquisitions upon the constituents and qualities of alcoholic liquors, and I feel called upon to reply to some of the remarks made by honorable members, because, in my opinion, they are very misleading. The trouble has arisen through a misunderstanding of the terms used by chemists in dealing with questions of this kind. We hear the word "impurities" used in a sense that is entirely misleading as applied to alcoholic spirits. There is no doubt that alcohol, by a very exhaustive process, can be made absolutely pure, and this purity is what chemists aim at securing when they wish to obtain alcohol for laboratory purposes. The alcoholic liquors of commerce, however, are distilled in such a way that they retain certain impurities—as chemists would call them—which give

them their distinctive qualities, and, to a large extent, their wholesome properties. In this connexion, I may also remark that the best chemists admit that chemistry is, to a large extent, at fault in dealing with the analysis of alcoholic liquors. The science of chemistry has not yet reached such a stage that chemists can definitely tell us the effects of the various constituents of alcohol. They can discover these constituents, but they have ultimately to fall back upon the older experience of those who have adopted practically a rule of thumb to decide what is good and bad in alcoholic liquors. Fortunately, we are able to conclude, with a fair amount of certainty, that experience forms a safe guide in connexion with these matters. There is no doubt as to what brandy and whisky were originally. Whisky was a preparation of malt spirit, distilled by pot stills, and brandy was a preparation of spirit distilled from wine by the same process. But the introduction of the patent still has brought about a considerable mystification, both in alcoholic liquors and in the minds of the public. I wish to refer specifically to the statements made by certain honorable members with regard to the manufacture of brandy. I said last night, and I repeat, that I question whether a single gallon of brandy is made in Australia by the methods employed in the production of the finer qualities of French brandies. I hold in my hand a pamphlet issued as the result of an inquiry into the distillation of brandy, and the constituents of that spirit by a Commission brought into existence in England a few years ago, at the instance of that well-known medical journal, the *Lancet*. This pamphlet represents the most advanced and complete views on the question. It contains distinct information as to the methods necessary to be adopted to produce the higher qualities of brandy. To begin with, it is stated—

The peculiar pleasing characteristics of genuine old Cognac brandy must be referred, not to alcohol at all, but what the French call the "*impuretés*" of brandy, that is to say, to the secondary products of distillation.

In another part of the pamphlet we are told how this process of distillation is conducted. The wine is, of course, heated in the usual way. The first portion that goes through the still is put aside. The central portion is also put aside, and then the third portion is similarly dealt with. The central portion is again distilled, and the central portion of that distillation is what

is known as brandy of the highest quality. I very much doubt whether that method of distillation has ever been practised in Australia to any considerable extent. With regard to the ageing of spirits, we have heard it stated in this House that ageing has practically no effect—that there is really nothing in it. The *Lancet* Commission, however, express themselves very definitely upon this point. They say—

The differences as regards chemical composition which will be seen to exist between old and new brandy are not so much in kind as degree. One effect of age upon the composition of brandy which can easily be traced is that of oxidation, a small depreciation of alcohol occurring in favour of aldehydes and acetic acid. . . . This loss is chiefly alcohol; there is a corresponding increase in ethers, in higher alcohols, and what may be called "vinosity" develops, coupled with "finesse" and style.

There is an indication of the distinct difference between the new and the old alcoholic spirit. The remarks that I have quoted with regard to brandy apply also to whisky. It is a matter of common experience with every one in the trade, and even with those who indulge in alcoholic stimulants, that the older spirit is undoubtedly finer and more palatable than that which is new.

Mr. SALMON.—Has the honorable member read the opinion expressed by the *Lancet* with regard to Australian brandy?

Mr. FOWLER.—Yes.

Mr. SALMON.—Has the honorable member read any better opinion?

Mr. FOWLER.—No, I have not. I agree that the Australian brandy, as at present exported, is honest in character, that it is pure, and not blended brandy. My point, however, is that the very best methods are not yet adopted in Australia.

Mr. SALMON.—And yet we produce the best brandy.

Mr. FOWLER.—Our brandy is, perhaps, equal in quality to a good deal of the standard French brandy, but I am not sure that the finer qualities of French brandy are not superior, perhaps only from the epicure's standpoint.

Mr. SALMON.—The *Lancet* places Australian brandy first.

Mr. FOWLER.—I have not seen any statement to the effect that Australian brandy is equal to the finer qualities of French brandy.

Mr. JOSEPH COOK.—What would be the *Lancet's* standard of judgment—the medical standard?

Mr. FOWLER.—I am quite in the dark with regard to the statement to which the honorable member for Laanecoorie refers. I am not aware that the *Lancet* has said in as many words that the Australian brandy is superior to the very finest products of the Charente district in France.

Mr. SALMON.—They call Australian brandy the finest in the world.

Mr. FOWLER.—I shall be very glad if the honorable member can show me that that judgment has been pronounced. I wish now to refer to the point made by the honorable member for Bland yesterday, when he contended that the differentiation made by the Tariff Commission between the duties on pure and blended brandies was nonsensical—that it was ridiculously insufficient. I take it that members of this Parliament, who have devoted a considerable amount of time to the investigation of the question—who have gone into it thoroughly and earnestly, and with as much ability as they possess—are scarcely likely to put forward a proposition which amounts to nonsense. I am prepared upon general grounds to defend our recommendation in that respect, as representing a very fair average as between the two qualities of liquor. Anybody who has read the evidence tendered to the Commission will realize that I am entirely in sympathy with the development of a trade in pure brandy. I do not at all like the idea of fostering a trade in the blended article. At the same time, the Commission could not ignore a considerable volume of evidence which was submitted to it, to the effect that blended brandy is an article of commerce, and that, as a matter of fact, it is preferred by some persons to the pure article. When honorable members point out that the difference between the cost of the production of the two articles is very great, they are looking at the wrong end of the question altogether. There is no doubt that the difference between the cost of producing the two classes of brandy is as one to four.

Mr. FISHER.—The honorable member is speaking of spirit now.

Mr. FOWLER.—I am speaking of the difference between the cost of producing pure brandy and that of producing the blended article. But when we come to the selling price, which, after all, is what determines the trade in these articles, we find that there is nothing like the differ-

ence which I have indicated. For example, let us take the price of a bottle of pure brandy, as against that of a bottle of blended brandy. At the very most, upon my calculations, the difference between their price would be about 4d. or 6d. When it is recollected that each bottle of pure Australian brandy will—if the recommendation of the Commission be adopted—carry with it a Government certificate of quality, I think honorable members will realize that that fact in itself offers a considerable preference to the superior article.

Mr. POYNTON. — We have already seen samples with labels upon them, and I should like to know what is the good of such labels?

Mr. FOWLER.—The honorable member is speaking of labels which are attached to bottles under existing conditions.

Mr. POYNTON. — Under conditions such as the Commission have recommended.

Mr. FOWLER.—No. The recommendation of the Commission, which is not included in the proposal of the Minister of Trade and Customs, extends the necessary protection to the pure article.

Mr. POYNTON.—There is no supervision exercised over spirit when once it has been taken out of bond.

Mr. FOWLER.—I would point out to the honorable member that if he were selling brandy it is not likely that he would take off the genuine article a label guaranteeing its quality, in order to depreciate its value. The Commission recommend that that guarantee should attach only to the superior article, and I think it is obvious that nobody engaged in handling such an article would be likely to deprive it of the value which the label imparted to it. Take the position of any customer who desires to purchase a bottle of brandy. Let us assume that he enters an hotel or a shop and states his requirement. He wishes to purchase a bottle of good brandy. Let us further suppose that he is shown the pure brandy with the Government stamp of quality attached to the bottle, and also the blended article with its distinctive mark upon it.

Mr. POYNTON.—Why does the Commission allow such a small margin in the case of the genuine article as compared with the blended article?

Mr. FOWLER.—I will deal with that matter presently. Let us suppose that the customer asks what is the price of the two articles which have been shown to

him. He would probably be told that the difference between the cost of the better article and that of the blended brandy was not more than 4d. or 6d. per bottle. How many persons desiring to obtain the better article would hesitate to pay that extra price when the guarantee of quality was attached to it?

Mr. POYNTON.—But pure brandy cannot be produced for 6d. per bottle extra.

Mr. FOWLER.—Yes it can. It can be sold at no greater increase upon the price of the blended article than 6d. per bottle.

Mr. POYNTON.—The additional cost of the material from which it is distilled represents considerably more than that sum.

Mr. FOWLER.—I have already pointed out that when honorable members talk of the cost of producing a pure brandy they are looking at the wrong end of the question. I admit that the cost of the production of the two articles is as one to four. But when that amount is added to the duty, and to one or two profits, and a gallon of pure brandy is divided into six parts—six bottles contain a gallon—honorable members will see that the difference between the price of the genuine as against the blended article is not more than 4d. or, at the most, 6d. per bottle. Here arises the difficulty of stimulating the production of Australian brandy with which the Tariff Commission was met. As honorable members are aware, my sympathies are all in one direction. But the evidence was conclusive that blended brandy was an article which was regularly put upon the market, and which was even sought after by some persons in preference to pure brandy. When we came to consider the situation, most of us realized that it would be a very improper proposal to levy upon the cheaper article a duty which was altogether out of proportion to that imposed upon the superior article. In other words, it would be wrong to compel the purchaser of blended brandy to pay into the revenue of the country a contribution which was decidedly out of proportion to that paid by the purchaser of pure brandy.

Mr. POYNTON.—My complaint is that the Commission recommends the extension of an advantage to the purchaser of the inferior article.

Mr. FOWLER.—If honorable members will take the trouble to look into the matter they will see that the recommendation

of the Commission would impart a considerable stimulus to the production of a pure Australian brandy. If the trade in that article has developed under the conditions which have hitherto existed, it is only reasonable to assume that it will progress much more rapidly under the stimulus which would be imparted to it by the adoption of the recommendation of the Commission. Some honorable members apparently have not studied our recommendations, and do not realize that protection to the genuine article is part and parcel of our scheme. I think that I ought to remind those who talk so much about genuine Australian brandy that there are certain classes of wines used in the production of that article which, to put it mildly, do not make the highest classes of brandy. For instance, there is a good deal of "off" wine used; that is to say, wine which has gone wrong in the process of manufacture, and which is distilled at a very high degree of rectification in order to make it less objectionable. My opinion is that the public should be protected from that sort of thing.

Mr. WATSON.—But we need not provide for that in the Tariff.

Mr. FOWLER.—That is so. Those who talk so loudly about genuine brandy will have to carry their contention to its logical conclusion. Undoubtedly the Tariff Commission has not done so. Its members have adopted a commercial attitude towards these matters, and it is rather discouraging to us—after due consideration has been given to these phases of the question—to hear honorable members criticise us because of the severely commercial nature of our recommendations.

Mr. POYNTON.—The honorable member is too sensitive.

Mr. FOWLER.—No; I welcome criticism in connexion with our recommendations.

Mr. POYNTON.—Then why is the honorable member complaining?

Mr. FOWLER.—I am complaining of the lack of consideration which has been given to those recommendations.

Mr. KENNEDY.—What shall we do when we have to consider recommendations upon which the members of the Commission are divided?

Mr. FOWLER.—No doubt the honorable member, with his keen intellect, will assess those recommendations at their proper value. Last evening I listened at-

tentively to the complaint of the honorable member for North Sydney in regard to the alleged hardships which would be imposed upon importers if the recommendation of the Commission in regard to keeping imported spirits in bond for two years were given effect to in the absence of fair warning. Undoubtedly, the honorable member speaks as one with considerable experience in commercial matters, but I must confess that I am not able to agree with him as to the hardship that would be inflicted. There is no doubt that a very considerable quantity of immature spirit finds its way into Australia and passes into consumption. The bonding of that spirit, until it has attained an age of two years, would not in any way damage the interests of the persons who own it. It is a well known fact that spirit acquires an added value in accordance with the length of time which it is kept in bond.

Mr. DUGALD THOMSON.—The honorable member will see that satisfactory proof of age could scarcely be forthcoming in regard to spirit which has already been shipped, or which is now in bond, and if we prohibited all that from passing into consumption, there would be no supplies. That was the point which I endeavoured to put.

Mr. FOWLER.—I understand that the honorable member desires that facilities for proving the age of imported spirit should be provided before the recommendations of the Commission are given effect to.

Mr. DUGALD THOMSON.—I desire that notice shall be given of our intention.

Mr. FOWLER.—I take it that all the bonds record the time at which spirits go into the charge of Customs officers.

Mr. DUGALD THOMSON.—I was referring to spirits which are on their way to Australia, or which have been in bond for only a few months.

Mr. FOWLER.—I was about to suggest that it might be advisable to make a special allowance in the case of spirits which are already upon the water, but I must say that the necessity for allowing a full two years to elapse before the recommendation of the Commission was given effect to does not seem to me to be a very urgent one.

Mr. DUGALD THOMSON.—I did not propose that.

Mr. HUTCHISON.—Will the honorable member tell the Committee how spirit distilled by means of a patent still improves with age?

Mr. FOWLER.—Even the best chemist in the world cannot tell that. Undoubtedly we have not sufficient chemical knowledge to enable us to enumerate all the processes which take place.

Mr. CONROY.—That was the case seven or eight years ago, but it is not so to-day.

Mr. FOWLER.—The members of the Commission know that it is a fact, culled from the experience of those who handle alcoholic liquors, that even patent still spirit does improve with age. Those spirits undoubtedly carry with them a proportion of the secondary constituents of the wash.

Mr. CONROY.—A rectified spirit does not improve with age.

Mr. FOWLER. — Trouble once more arises in connexion with the use of the word “rectified.” I have already pointed out that there is no absolutely rectified spirit in commerce, although a little may be found in chemical laboratories. What is in commerce called “rectified spirit” is that which has undoubtedly been distilled at a high degree of rectification, but which still contains all the essential characteristics of the product from which it has been derived.

Mr. WATSON.—That is hardly correct. Spirit rectified to from 65 to 70 per cent. overproof contains practically none of the characteristics of that from which it comes.

Mr. FOWLER.—There is a corresponding shortage of those characteristics.

Mr. WATSON.—That is so.

Mr. FOWLER.—It still contains a proportionate quantity of the secondary constituents of that alcohol which is distilled at a lower strength; and none of the so-called rectified spirit known to commerce is entirely devoid of these secondary constituents. While, undoubtedly, pot-still whisky or brandy shows a distinct change in ageing, that change is shown—although I admit that it is in a less degree—in the case of highly rectified spirit. In this connexion I would point out that it is notorious that deeds of violence perpetrated in the larger cities of the old world by persons under the influence of liquor are almost invariably traceable to the drinking of that whisky known as raw grain spirit. It is a matter of common opinion in Great Britain that that spirit has a maddening effect upon the brain, and a very objectionable effect upon the general health

of those who consume it. In the case of spirit which has been kept for a few years, however, those objectionable qualities disappear in a degree corresponding with its age.

Mr. JOHNSON (Lang) [3.18].—I understand that the general contention of the honorable member for Perth is that the best classes of spirits for consumption are those which have not been distilled at a higher strength than about 35 per cent. overproof. In support of that contention the honorable member has referred to an article which appeared in the *Lancet*. As laymen, we cannot pretend to set our own personal views against those of experts in chemistry; but, at the same time, we may hold different opinions on the evidence that we have been able to gather in regard to these matters. The honorable member for Perth has just stated that patent still spirit improves with age, just the same as does a spirit—

Mr. WATSON. — The honorable member said it improved “in the same measure,” not “just the same as” the other spirit.

Mr. JOHNSON.—I understood him to say that patent still spirit is purified in exactly the same way as is spirit distilled at a lower percentage of rectification. He subsequently pointed out that patent still spirit, after being highly rectified, possesses, although in a lesser degree, the same impurities as are found in pot-still spirit.

Mr. WATSON. — They are “characteristics,” not “impurities.”

Mr. JOHNSON.—I use the word “impurities” in the sense in which it is employed in chemistry. As against the contention of the honorable member for Perth, I may say that I have made personal inquiries from those engaged in distillation, and also from experts, who have informed me that when spirit is distilled above 60 per cent. over-proof—as in the case of that produced by the Colonial Sugar Refining Company—the elements called “impurities” are existent in it in only the most infinitesimal degree.

Mr. WATSON.—Any expert can, without analysis, distinguish between the Colonial Sugar Refining Company's spirit and potato spirit, even although it is 68 per cent. over-proof.

Mr. JOHNSON.—I am informed that that is not so—that the process by which spirit 68 per cent. over-proof has been

distilled cannot be detected by any form of analysis.

Mr. CONROY.—I would close up a distillery which distilled spirit of that strength for human consumption.

Mr. JOHNSON.—The honorable member may have certain information respecting this matter, but that which I have secured comes from those who are qualified to express an expert opinion. In support of the position which I took up yesterday, and as opposed to the contention of the honorable member for Perth, I propose to quote the opinions expressed before the Tariff Commission by Mr. Wilkinson, the Government analyst of Victoria, in reference to the impurities of spirits which are alleged by many to be injurious to health. At page 15 of the digest of the evidence given before the Commission, we have the statement under the heading of "Spirits generally—Alcohol"—

Mr. Wilkinson would define spirits as alcoholic liquids made from the distillation of wine, beet, cereals generally, and the by-products of sugar manufacture.—(Q. 2626-7.) From quotations read by him before the Commission, it appeared that all the alcohols, taken in certain doses, were poisonous. The least toxic was pure ethyl alcohol.—(Q. 2677.) Ethyl alcohol was the main constituent of all spirits.—(Q. 2712.) The toxicity of alcohol was correspondingly larger as its chemical formula was more complex.

At page 16 of the report we find the statement that—

In the more volatile portions of the secondary products of commercial spirits, there were aldehydes. These were the products of oxidation principally from alcohol. In the higher boiling portions, there was what was called "fusel oil." This consisted of alcohols higher in the series, for instance, propyl, butyl, and amyl alcohols. In distillation, the impurities were in part eliminated, but they were necessary for flavour.

These foreign elements have the effect of imparting certain flavours, or a piquancy, to certain spirits. As far as I have been able to discover, that is their sole use. I have also formed the opinion from what I have read on the subject that their effect on the health of the consumers of spirits is injurious rather than beneficial, more injurious, in fact, than the pure ethyl alcohol.

Mr. FOWLER. — I admit that chemical knowledge is so defective in respect to this matter that there is room for all sorts of opinions in regard to it.

Mr. CONROY.—All the more reason why we should not insert this provision in an Act of Parliament.

Mr. JOHNSON.—The report continues—

A spirit containing none of them was practically featureless. It had no character, and was neutral in taste.—(Q. 2634-6.) Mr. Wilkinson quoted extracts concerning the toxicity of various alcohols, and the laws of Switzerland and Belgium with respect to the limit of impurities allowed in certain spirits. He summarized these articles by stating that the so-called impurities of any spirit, upon which for commercial value the flavour was largely dependent, possessed toxic properties greater than those of ethyl alcohol, the main constituent of all spirit.

That is the pure alcohol. According to Mr. Wilkinson, all the elements which the honorable member for Perth contends are necessary to give added beneficial value and greater purity to spirits possess in the greatest degree those toxic properties which are injurious to health. The report proceeds—

If alcohol were pure, it would have no injurious effect other than that due to alcohol, no matter its origin.—(Q. 2667.) So far as scientific knowledge goes, the substances removed in the rectification of spirit were more injurious than alcohol itself.

That is a very definite and positive statement, and since it is the opinion of one who, by reason of the position he occupies, is supposed to be an expert in such matters, it should receive careful consideration.

Mr. FOWLER. — He is an expert in analyses, but I do not know that he is an expert in spirits.

Mr. JOHNSON.—If he is an expert in matters of this kind, I take it that he must have studied the effect of the constituent parts of all spirits on those who consume them. I shall quote only one or two more passages from this report. At page 16 we have the statement—

Mr. Wilkinson had examined some of the cheap spirits imported, and had found that they were highly rectified, and contained very few impurities indeed. They might have been of any origin. Physiologically they could not be considered injurious.—(Q. 2655-6.) So far as scientific knowledge went, the substances removed by the rectification of spirits were more injurious than alcohol itself.

Then, in another paragraph, under the heading of "the Maturing of Spirits," we have the statement—

There was no proof that the keeping of spirit for a time would eliminate certain poisonous elements.

I have quoted these statements in order that the Committee may learn the opinion held by Mr. Wilkinson with respect to the benefit alleged to be derived from the retention of spirits in wood for a period of two

years before it goes into consumption—a question which has been much discussed during this debate. The statement which I made yesterday—based on what I had read and heard with respect to this subject—was that the only result of keeping spirit in wood for a long period is to disguise from the palate of those who consume it all impurities which have not been removed, and which are not so easily detected as they would be if the spirit went into immediate consumption.

Mr. FOWLER.—I suggest that the honorable member should experiment on himself with both new and old spirit. If he does so, he will soon ascertain the difference.

Mr. JOHNSON.—I prefer to allow the honorable member for Perth himself, or the honorable member for Melbourne Ports, to make such experiments. In support of what I said yesterday, let me quote the following passage from the same report, page 16:—

Medical men were very much divided in opinion upon this subject. Only an improvement in flavour would be gained.

The Government Analyst of Victoria expressed the opinion that the keeping of spirit in wood for a period of two years does not remove deleterious elements, though it may improve the flavour of the spirit.

Sir JOHN QUICK.—He was the only witness who took that view.

Mr. JOHNSON.—He said—

It was a scientific fact that, no matter how long spirits were kept, the poison in them remained.

Sir JOHN QUICK.—He was contradicted by all the distillers in Australia.

Mr. JOHNSON.—Last week, in Sydney, a gentleman who regards himself as an expert in these matters, having had to do with the distillation of spirits during the last forty years, both in Australia and elsewhere, assured me that it is a scientific fact that, no matter how long spirits are kept, any deleterious substance that may have been left in them after the process of distillation remains, although the flavour may improve.

Mr. McCAY.—Surely we must determine these matters by the weight of evidence.

Mr. JOHNSON.—The statements of experts such as those which I have quoted must be taken into consideration in dealing with a proposal like that before us, and the weight of evidence must depend on

the qualifications of those who give the testimony in matters of this kind.

Mr. BRUCE SMITH.—But to act on the opinion of one or two witnesses and against the opinions of a large body of other witnesses would be like determining a case on the evidence of a witness in opposition to the verdict of a jury who may have heard the evidence of twenty witnesses.

Mr. JOHNSON.—If time permitted, I might quote the opinions of other experts. We should have as much enlightenment as we can get on this subject, and I am therefore justified in placing before the Committee the views of competent authorities which have come under my notice. I admit the difficulty of laymen coming to a definite conclusion in regard to questions such as this.

Mr. CONROY (Werriwa) [3.36].—The question is whether we shall provide that certain spirit shall not go into consumption until it has been in bond for two years. I hope that the Committee will not require that to be done by Act of Parliament, but will leave the matter to be dealt with by regulation, because of the great difference of opinion as to the advantages to be derived from the keeping of spirit in bond.

Mr. BRUCE SMITH.—Would the honorable and learned member give the Minister power to deal with this matter by regulation?

Mr. CONROY.—Yes, because any regulations that may be passed will have to come before Parliament.

Mr. BRUCE SMITH.—We are too much governed by regulations at present.

Mr. CONROY.—No doubt that is so, though no one has listened when I have tried to impress the fact upon honorable members; but this is a matter which should be dealt with by regulation. We cannot shut our eyes to the possibility of chemical discovery which may show that spirit is not improved by being kept in bond. We cannot say that the work of the synthetic chemist is at an end, and that no further discoveries will be made. Consequently we should deal with this subject by regulation, which would be capable of alteration by a very simple process, instead of by an Act of Parliament.

Mr. JOSEPH COOK.—An Act of Parliament could be amended.

Mr. CONROY.—Its amendment would require the introduction of a special Bill, and it is always troublesome to get such amending legislation passed.

Mr. PAGE.—A majority can do anything.

Mr. CONROY.—Yes; but when no great interest is at stake, it is very difficult to find time for amending legislation altering the existing order of things. Honorable members should remember that present opinions may be upset at any moment by a new discovery.

Mr. FOWLER.—What new discovery?

Mr. CONROY.—If honorable members did a little reading they would be aware of the possibility of which I speak, though, no doubt, such a course of conduct would make many of them uneasy, because of the votes which they have given in the past. I remember that, five or six years ago, an article appeared—I think in the *Lancet*—in which it was pointed out that, if distillers liked to take the trouble, they could adopt processes which would give a spirit so pure that there would be no need for the keeping of large stocks for maturing purposes. These statements were made in reference to the patent still which was then coming into use.

Mr. JOSEPH COOK.—Could that be done under ordinary commercial conditions?

Mr. CONROY.—It was said so. I regret that there is not in our library a good work on chemistry of recent date, which would have enabled me to fortify myself—if I may use such an expression in dealing with spirits—on this subject; but an article appearing in the *Encyclopædia Britannica*, published in 1898, and probably written in 1896 or 1897, practically bears out the statement to which I have just referred. It must be remembered that during the last twenty or twenty-five years synthetic chemistry has made tremendous developments, so that we may stand on the verge of great discoveries.

Mr. FOWLER.—Synthetic chemistry has been largely responsible for the building up of sham brandies and whiskies.

Mr. CONROY.—The flavour of spirit is due to the by-products left in it.

Mr. FOWLER.—I have been trying to impress that upon the Committee for the last two days. Rectification tends to eliminate these by-products.

Mr. CONROY.—It has been argued that these by-products are harmful. Yesterday the honorable member for Bland asked us to provide, not by regulation, but in an Act of Parliament, that spirits shall be kept in bond for two years. One reason for not doing so by Act of Parliament

is that we cannot deal with this question as one of principle. An Act of Parliament has to be adapted to every-day working methods, because it may continue in operation not merely for a year or two, but for fifteen or twenty years. Judging from the want of knowledge displayed by honorable members even with regard to elementary chemistry, they would be unable for many years to realize what has gone on in the past. I wish to point out that stills are now being constructed which, in the one operation, produce spirit containing 98 per cent. of alcohol, and free from all but the merest traces of aldehyde, fusel oil, and other impurities.

Mr. JOSEPH COOK.—That is not the kind of spirit we want.

Mr. CONROY.—Then honorable members should not talk about wanting a pure spirit. They should confess that they want a spirit that is not rectified and is not pure, that they desire to foster a taste for an impure article. They should not talk cant upon such a question. If honorable members prefer to drink a spirit containing impurities which give it a flavour there is a good deal to be said in favour of their taste. I object, however, to their putting forward a number of statements upon the pretence that they are imparting chemical knowledge. They are doing nothing of the kind. When I saw the recommendation of the Tariff Commission that spirit should be kept in wood for two years I looked through the report to ascertain what had caused them to arrive at that conclusion.

Sir JOHN QUICK.—We arrived at it upon the evidence.

Mr. CONROY.—Judging by the evidence, the Commission were perfectly right.

Sir JOHN QUICK.—Only one witness was against adopting the course recommended.

Mr. CONROY.—The other witnesses were not asked their opinion.

Sir JOHN QUICK.—Yes, they were.

Mr. CONROY.—Not in a good many cases. All the witnesses whose views were in accord with the recommendations of the Commission had not devoted themselves to the study of this particular branch of chemistry. Some of them spoke from the knowledge of fifteen or twenty years ago, and apparently had not taken the trouble to keep themselves up-to-date. When I read the evidence, I regretted that I had not been appointed to the Commission, so that I might have asked the witnesses one or two questions. I desire to quote a further

statement from the *Encyclopædia* upon this subject. It reads as follows:—

Methods for obtaining a satisfactory potable spirit are, so far, however, only successful up to a certain point, and the distiller is therefore bound to have recourse to prolonged storage or to one of the many artificial processes of purification and maturing, the majority of which have been devised—with varying successes—during recent years. . . . By properly regulating the distilling heats, by using a well-devised still, both in the first instance and also for rectifying, a product very free from fusel oil, and especially from fatty aldehydes and volatile ethers, may be obtained. The removal of acids—objectionable chiefly on account of the unpleasant decomposition products which they form in still—is carried out by neutralizing the still contents with an alkaline medium. The alkali so used also decomposes undesirable compound ethers, and retains some of the aldehydes by converting them into non-volatile polymers. For the elimination of fusel oil, filtering through charcoal is the most common method. Luck has suggested for this purpose the passing of the alcoholic vapours through petroleum, which is said to absorb the higher alcohols much more easily than it does ordinary spirit; and some distillers have successfully tried the method of Traube, which consists in treating the spirit with a saturated aqueous solution of various inorganic salts.

Even this work is not quite up-to-date. Some time ago I read some articles containing information far in advance of that which appears in the *Encyclopædia Britannica*, but, unfortunately, I have not been able to place my hand upon them for the purposes of this discussion. I was particularly struck with the articles to which I refer, because, some twenty years ago, I took a great interest in the subject. Of course, honorable members must distinctly understand that I had only an elementary knowledge, and did not pretend to be able to discuss the matter with any man who understood his work. I had a knowledge sufficient to enable me to take an intelligent interest in the subject. I think that the articles appeared in the *Lancet*, but I cannot say with any certainty. I find by reference to the *Encyclopædia* that in 1898—three or four years before I read the articles referred to—premonitions were already being uttered that the old method of setting aside the distillates for so many years, until they became rectified in some way quite inexplicable to chemists, would be abandoned.

Mr. FOWLER.—The only way in which they could judge was by results.

Mr. CONROY.—The honorable member is perfectly right. I listened with considerable interest to his remarks with re-

gard to the methods employed for so many years in the Charente district of France.

Mr. FOWLER.—They employ the same methods to-day.

Mr. CONROY.—I do not think so, because if they did, the best brandy would cost us 25s. per bottle instead of the price that we now have to pay for it. They may adopt methods which enable them to retain particular flavours, but that is all. I am not quite sure whether, so far as the physiological aspect of the case is concerned, the brandy made according to the old crude methods is not more injurious than spirit highly rectified under the new process. But I cannot speak upon this subject as an expert. If the provision with regard to keeping spirit in wood for two years is to be retained, it would be very much better to adopt the proposal of the Government, and to deal with the matter by regulation, rather than by embodying it in an Act. As I have pointed out, a regulation is capable of amendment from time to time to suit the circumstances as they arise. Regulations have to be discussed in Cabinet and afterwards submitted to the House.

Mr. PAGE.—In that case, it would be as difficult to amend a regulation as to amend an Act—a majority of the House would be required in either case.

Mr. CONROY.—No; the preparation of a Bill is an important matter, and occupies a considerable time. Then again, a Bill has to go through three readings, and generally excites a great deal of discussion. In fact, the consideration of Bills dealing with technical matters involves a great waste of time, because the majority of honorable members know nothing whatever about the subject dealt with.

Mr. ROBINSON. --- The honorable and learned member is assuming that the Minister of Trade and Customs has more knowledge than other honorable members.

Mr. CONROY.—I assume that the Minister acts under the advice of his officers. If honorable members are determined that spirit shall be kept in wood for two years—the matter is not a vital one—the necessary provision should be made by regulation. If we embody such a provision in an Act we shall in effect declare that chemical knowledge has reached a certain point, and will never progress, that it will be impossible to produce wholesome spirit except by keeping it in wood for two years after distillation. I decline to put any such

limitation upon the synthetic chemists of the day, who thoroughly understand their work, and are making rapid strides in the acquirement of knowledge. Our knowledge is distinctly twenty or thirty years behind that of scientific men of the times. It is absolutely impossible for a man to keep pace with scientific knowledge in all its branches.

Mr. BAMFORD.—What is the point which the honorable and learned member desires to make?

Mr. CONROY.—I say that in the first place we ought not to impose any limitation of the character suggested, and, secondly, that if we do impose one, effect should be given to it by regulation, and not by an Act of Parliament. If the reasons which I have advanced are not conclusive, the fault is not mine. I have merely pointed out what I believe to be right, and I feel doubly fortified in the opinion that I am right when I see so many honorable members upon the opposite side.

Mr. KENNEDY (Moir) [4.2].—I am sure that the Committee are indebted to the honorable and learned member for Werriwa for his very able exposition of the component parts of spirit. The members of the Tariff Commission must feel the loss which they have sustained in that the honorable and learned member was not a witness before them to add to the information which they have presented to the Committee. I desire to express my appreciation of the labours of the Commission as evidenced in the report which has been submitted upon this question. At the same time, I hope that they will not resent criticism of the conclusions at which they have arrived. Hitherto, they have almost conveyed that impression.

Mr. FOWLER.—Not in the least; we welcome criticism.

Mr. KENNEDY.—When we come to deal with subsequent reports by the Commission, a doubt will necessarily arise as to the particular set of recommendations to which we should pay most regard. I trust, therefore, that the members of that body will not take offence if some of us differ from them in regard to matters of detail. I fully appreciate the labour and industry which they have brought to the discharge of their onerous duties. But upon some questions, which are comparatively matters of detail, I hold opinions which are not quite in accord with their recommendations. I trust that the Govern-

ment, before they ask us to support an increase in the Customs duty upon spirits, will give us a little more information than has been vouchsafed.

Mr. DEAKIN.—At present, we are dealing only with a proposal that imported spirits shall be matured in wood for two years before they are permitted to pass into general consumption.

Mr. KENNEDY.—When the Minister of Trade and Customs submitted these resolutions yesterday, the Committee were fairly entitled to more information than he gave them. Of course, if the Government can support their proposal to increase the import duty upon spirits, I shall have no objection to offer. They are in a position to know to what extent the revenue would be affected by any such action. But I wish to direct special attention to one matter which has caused a falling away from grace on the part of some free-traders. Only to-day, we have heard certain honorable members admit that there are conditions under which differential fiscal treatment should be accorded to some of our products. I was more than delighted to hear the honorable and learned member for Angas express that opinion yesterday. But the point to which I wish specially to address myself has reference to the rates of Excise duty which it is proposed to levy upon different classes of spirit. The conclusions of the Tariff Commission have proved that there was warrant for the assertion which has so frequently been made that the Commonwealth Tariff has destroyed some of our industries. The very first statement contained in the report of that body reads:—

Since the passing of the Commonwealth Tariff there has been a total cessation of distillation in Victoria.

Mr. FOWLER.—We do not say that that is the result of the Tariff. We point out elsewhere that it is probably due to another cause.

Mr. KENNEDY.—I did not say that it was the fault of anything in particular.

Mr. HENRY WILLIS.—The honorable member was making a point of that.

Mr. KENNEDY.—I intend to continue making a point of it, notwithstanding the speeches which have been delivered between the interjections which I have been permitted to make. I repeat that in the Commission's report is to be found ample justification for the statement that, since

the passing of the Commonwealth Tariff industries have been strangled in Victoria.

Mr. HENRY WILLIS.—Those engaged in the trade in Victoria have obtained their spirit from those employed in the same industry in New South Wales.

Sir JOHN QUICK.—Read the conclusions of the Tariff Commission.

Mr. KENNEDY.—I will. The Commission says—

Since the passing of the Commonwealth Tariff there has been a total cessation of distillation in Victoria, resulting in the closing of very large and important distilleries in which capital to the amount of £235,000 has been invested, and in throwing a number of hands out of employment.

That statement, I contend, warrants the conclusion that an industry has been strangled.

Mr. HENRY WILLIS.—The same number of men were employed to carry on the same amount of trade in New South Wales as were engaged in the industry here.

Mr. KENNEDY.—I will challenge the accuracy of that statement later on. The Commonwealth Tariff alone may not be responsible for that condition of affairs. But I venture to say that it was one of the causes. The report of the Commission continues—

One cause of the stoppage of the Victorian whisky distilleries has been the relative increase of excise duties and consequent reduced protection by 3s. per gallon on malt whisky, and 1s. per gallon on blended whisky. Another factor has been the increased production of n.e.i. spirit in New South Wales and Queensland, much of which has been transferred to Victoria.

Mr. HENRY WILLIS.—There is the reply to the honorable member's previous statement.

Mr. KENNEDY. — It is part of the reply.

Mr. HENRY WILLIS. — The spirit used was brought into Victoria from another State.

Mr. KENNEDY. — Yes, spirit which was produced from inferior materials. I have no objection to the distillation of that particular class of spirit, but I wish to direct special attention to the diminished production of spirit from malt. If it were merely a question of the distillation of the cheaper class of spirit—in the production of which there is no considerable quantity of labour employed—I should not worry about the continuance of the industry. But, seeing that the production of spirit from grape wine necessitates the employment of considerable labour the matter is well

worthy of our attention. The Commission appear to have been convinced that, in order to re-establish the production of malt spirit in Victoria, it is necessary to differentiate between the Customs and Excise duties upon malt spirit, to the extent of 4s. per gallon, and upon the blended article to the extent of 3s. per gallon. I do not think that the Commission, in their recommendation, have differentiated sufficiently as between the spirit which is distilled from barley malt and the blended article. They have allowed a difference of only 1s. a gallon between the Excise rates upon these articles. In my judgment there was warrant for the finding of the Commission in regard to the difference which it has seen fit to make between the import duty upon malt spirit and the Excise duty upon it. But I do not agree with the conclusion of its members that there should be only 1s. per gallon difference between the Excise duty upon spirit distilled from grape wine, and spirit which is distilled partly from grape wine and partly from other materials. I am inclined to think that the recommendations of the Commission, if adopted, would prejudice the production of grape spirit in Australia.

Mr. JOHNSON.—There can be very little doubt of that.

Mr. KENNEDY.—I claim the support of members of the Commission even to the extent of reconsidering their determination in this connexion. They have realized the necessity for re-establishing the industry so far as the production of malt spirit is concerned. Hitherto we have produced brandy, whisky, and gin of a character calculated to build up a reputation abroad. We have the most satisfactory evidence that under what are regarded as almost lax conditions, there is being produced in Australia to-day a brandy equal to almost any produced elsewhere. I would remind the Committee that in the production of grape and malt spirits a great deal of labour is involved, and that we are warranted therefore in giving the local industry the fullest encouragement. The only case in which a reduction of the Excise should be made is in relation to grape spirit. It is said that such a reduction might lead to a loss of revenue, but I do not think that there is any warrant for such an assertion. In pre-Federation days the Excise duty on grape spirit under the Victorian Tariff was, I believe, 8s. per gallon, whilst the import duty was 12s.

per gallon. The quantity of imported and locally-produced spirits consumed here then increased practically only in proportion to our population, and under the Commonwealth Tariff we have had practically a like experience. It may appear at the first blush somewhat strange that in the three States which have given some attention to the cultivation of the grape we have had under the Commonwealth Tariff an increase in the production of brandy from grape spirit. But under that Tariff grape spirit has had a preference of 2s. per gallon over blended spirit, and my desire is that that preference shall be continued. I should like some further information in regard to the contention that that should not be done. According to the evidence taken by the Commission, grape spirit costs something like 4s. per gallon to produce, grain spirit about 2s. 9d. per gallon, and malt spirit about 3s. 6d. per gallon—

Mr. FOWLER.—Molasses spirit is cheaper than any of those spirits.

Mr. JOHNSON.—It costs only 6d. per gallon to produce.

Mr. KENNEDY.—According to the report of the Commission it costs 1s. 6d. per gallon to produce, whilst sugar spirit costs only 1s. per gallon.

Mr. JOHNSON.—The manager of the Colonial Sugar Refining Company stated that it cost only 6d. per gallon to produce molasses spirit.

Mr. KENNEDY.—The figures I have quoted are taken from the evidence given by Mr. Henry Arthur Preston. In view of these facts, I think I am justified in asking that the difference in the excise on brandy manufactured from grape spirit and blended spirit should be greater than is recommended by the Tariff Commission.

Mr. FOWLER.—Has the honorable member considered whether those who buy blended spirit ought to contribute a disproportionate amount to the revenue?

Mr. KENNEDY.—I am not questioning the findings of the Commission with regard to the rate of duty that should be imposed on blended spirit; on the contrary, I am adopting them as a basis for the proposal that I am now putting forward. The Commission propose that blended spirit shall have a preference of 3s. per gallon over the imported spirit, but they recommend that grape spirit shall have a preference of only 1s. per gallon over blended spirit. I do not think that

that preference is sufficient. Honorable members should not forget the advantage to the Commonwealth which would flow from the expansion of the production of grape spirit.

Mr. HENRY WILLIS.—The industry is native to the soil.

Mr. KENNEDY.—That is so. There is no comparison between the labour involved in the production of grape spirit and that necessary to the production of potato or molasses spirit. According to the evidence given before the Commission, something like £1,000,000 has been invested in the grape spirit industry in South Australia. Those figures do not cover the labour involved in distillation.

Mr. HUTCHISON.—They cover all the vineyards.

Mr. KENNEDY.—There is a possibility of a much greater development in the production of grape spirit. On the other hand, molasses spirit is only a by-product of sugar.

Mr. JOHNSON.—If the honorable member turns to page 26 of the *Digest of Evidence*, he will see that, according to Mr. Knox, the manager of the Colonial Sugar Refining Company, molasses spirit can be distilled at a cost of less than 6d. per gallon.

Mr. KENNEDY.—That is the cost of distillation, whereas the figures I have quoted cover the cost of the material, as well as that of distillation. That would account for the disparity. I come now to the production of malt spirit, the encouragement of which is just as desirable as is the encouragement of the manufacture of grape spirit. In the early days of the malt spirit industry in this State, 125,000 bushels of barley were used in one year. That quantity would represent a good yield from 5,000 acres, and would involve the employment of considerable labour. In these circumstances we ought surely to consider whether it is not worth while encouraging the manufacture of spirits which have their origin, so to speak, in the products of our soil, and can be made under conditions that will enable us to place a very superior article on the markets of the world. Although this may not be the proper stage at which to discuss this phase of the question, I draw attention to it now in order that the Government, as well as the members of the Commission, may be prepared, later on, to show whether there is any material objection

to granting further encouragement to the production of pure grape and malt spirit.

Mr. McCAY.—The honorable member means to suggest that he desires to increase the difference between the Excise and import duties on pure grape brandy to the extent of more than 4s. per gallon.

Mr. KENNEDY.—Yes, that is the only way out of the difficulty. I was under the impression that we should be able to re-establish the local manufacture of blended whisky and brandy by allowing a preference of only 2s. per gallon over the imported article, but I gather from the evidence, and the statements made by the members of the Commission, that it would be impossible to do so. In these circumstances, I have been forced to accept the recommendation of the Commission that a preference of 3s. per gallon be allowed. But I invite the Committee to say whether a further reduction of 1s. per gallon should not be granted in respect of the Excise duty on grape spirit.

Mr. McCAY.—If that were done what *ad valorem* duty would it, approximately, represent?

Mr. KENNEDY.—It would not be as high as the *ad valorem* rate in respect of blended spirit. It has also occurred to me that it is desirable to require an increase in the proportion of grape spirit used in blended spirits. I should say that in blended brandy the minimum quantity of grape spirit should be 50 per cent., whilst there should be a minimum of 50 per cent. of malt spirit in blended whisky. If such a provision were made, it would increase the use of natural products of our soil, and at the same time I think it would also tend towards the production of a better spirit.

Mr. HENRY WILLIS.—Why does the honorable member suggest that we should have a blend?

Mr. KENNEDY.—The Tariff Commission deals with the question; the requirements of the people demand it.

Mr. HENRY WILLIS.—It is for the sake of cheapness that a highly rectified spirit is used.

Mr. KENNEDY.—I have no quarrel with the Commission, in respect of their recommendations; but I do not think that from the stand-point of revenue any objection can be taken to my proposal. If it were adopted, it would increase the possibilities of an expansion of production,

and increase the use of a natural product of our soil.

Sir JOHN QUICK.—The honorable member does not desire to reduce the proposed protection?

Mr. KENNEDY.—No, I think that the Commission are in a better position than I am to arrive at a conclusion on that point.

Sir JOHN QUICK.—It would be useless to reduce the protection.

Mr. KENNEDY.—In the face of the evidence taken by the Commission, I do not ask the Committee to do so. But, seeing that under the Tariff which has just been altered a differentiation of 2s. was made in favour of grape spirit, and the increase in the distillation of such spirit has been only slow, I think that an injustice will be done to an industry existing on the use of a natural product if the differentiation is reduced to 1s. I know the conditions which prevailed in Victoria prior to the imposition of the Federal Tariff, and those which have since prevailed, and I therefore ask the Committee to reconsider the matter, because honorable members desire the development of our natural industries, and I believe that the concession sought for, while benefiting the industry on whose behalf I speak, will not prejudice any other. I hope that, as time goes on, our pure brandy and pure malt whisky will acquire a world-wide reputation, and the manufacture of such spirit will do the least amount of harm, and the greatest amount of good to the community.

Mr. KNOX (Kooyong) [4.33].—This is a subject upon which I have little information. To my mind it is regrettable that we should have to derive so large a part of our revenue from duties on spirits, but the imposition of high duties is regarded as necessary to prevent abuse, and to discourage the importation of inferior productions. I am of the opinion of the Highlander who, after a heavy night, declared that whisky was bad, especially bad whisky. But so long as we impose these duties we must see that we get the most revenue we can from them. It is stated in this morning's *Age* that—

Mr. Fowler says 14s. is as high a rate "as consumers will stand," and that a higher duty will lead to the consumption of inferior spirit. But against this theory, the actual facts of the colonies in pre-Federation days are conclusive. Of the six colonies two had 15s. duties on spirits, and one had 16s.; and surely in such a matter as this, which is one of mere opinion, the Government is justified in taking what it thinks

the necessary means of safeguarding the revenue.

The writer of that article probably overlooked the fact that Victoria in 1894 had an import duty of 15s. per proof gallon, and in two years lost £300,000 in revenue, when, as the result of the investigation of a Commission, the duty was reduced to 14s. Furthermore, South Australia had a duty of 15s., with a 16.5 allowance for underproof, making the rate equivalent to 12s. 6d. Western Australia had a duty of 16s., with a 16.5 allowance for underproof, making the rate 13s. 4d. These facts seem to me to be reasons why we should not make the duty on proof spirit as high as 15s.

Mr. FOWLER.—Hear, hear. The matter of an allowance for underproof spirit has been entirely overlooked.

Mr. KNOX.—I am glad to hear the honorable member say that. It affects the question very much. I hope that the subject will receive from the Committee the attention which it deserves.

Amendment agreed to.

Sir JOHN QUICK (Bendigo) [4.37].—In order to give the Committee an opportunity to determine whether the import duty on spirits should be increased, I move—

That after the amount "15s." line 17, the following words be inserted:—"and, on and after 16th August, 14s."

This question has been already fully discussed, and I do not propose to travel over ground already covered. As Chairman of the Tariff Commission I am pledged to stand by its recommendations, which were based on the assumption that there would be no increase in the import duty. Last night I gave the reasons why the Commissioners thought that the import duty should not be increased, while recommending a reduction in the Excise duty. Under the operation of the Tariff which we are now amending, there has been an enormous increase in the revenue derived from spirits, especially under the Excise duties. As will be seen from the statement made on page 45 of our report, the production of spirits in Australia in 1899 was 737,200 proof gallons, and in 1905 1,506,339 proof gallons, so that the production practically doubled, the revenue increasing correspondingly from £147,935 to £267,454. The increase in production was due chiefly to the distillation of molasses spirit in Queensland and New South Wales, and one of the reasons why the whisky distil-

leries in Victoria were suffering so much was that the market was being swamped with that spirit. One of the objects of the scheme of reconstructed Excise duties was therefore to differentiate between various classes of spirits according to the cost of production, and it is believed that a substantial reduction in the Excise duties without a corresponding increase in the import duties can be brought about without injuriously affecting the revenue, or reducing it below the standard anticipated and provided for by the Tariff launched by the right honorable member for Adelaide in 1901. The Commissioners thought that the increase of revenue from Excise duties had been so large that the duties could be lowered without making it necessary to increase the import duties, which would result in an unnecessary disturbance of the retail and wholesale trade in spirits.

Mr. DEAKIN (Ballarat—Minister of External Affairs) [4.43].—The Chairman of the Tariff Commission has told us why that body recommended that the import duties on spirits should not be increased, and gave what may be taken to be in part an explanation of that recommendation. Having regard to the circumstances of the local distilling industry, their recommendations in regard to Excise duties are only natural; but their estimates of revenue put before us seem to have been largely affected, if not entirely brought about, by the need for justifying the postulate upon which the Commission started, that there should be no increase in the Customs duties. That is no increase of import duties. Commencing with a proposition of that kind, it is easy to see how the recommendations of the Commission were agreed to, but I submit that their calculations are to some extent biased. With them revenue was the last consideration. When the Government took up the proposals of the Commission, their first concern, naturally, was the effect which the acceptance of these proposals would have upon the revenue. I have taken the precaution to look through the figures which the honorable and learned member for Bendigo has put forward in support of the contention that the adoption of the scale of duties advised by the Commission would not involve any material decrease of the revenue, and must say that they carry no conviction to my mind. He points to an increase in the local production of spirits,

more particularly of the cheapest kinds of spirits from molasses, and contends that the reduction of all the Excise duties will be more than compensated for by the great increase in the quantity produced. Put in that bald way, I take it that this is an unconvincing statement. I should be very sorry to see a greatly increased consumption of spirits in the Commonwealth, but, leaving that consideration on one side for the moment, would point out that there is nothing to lead us to suppose that the increased local production would be so great as to make up for the inevitable loss of revenue that would result from the substitution of Australian spirits subject to the payment of Excise duty for imported spirits, which bear a much higher impost.

Mr. POYNTON.—The experience of Victoria shows that a great loss resulted from the increase of the duty upon imported spirits.

Mr. DEAKIN.—That is the only experience of the kind that can be quoted, and in the light of my knowledge of the circumstances, it has no weight with me.

Mr. POYNTON.—In 1897, we increased the import duties in South Australia, with the same result.

Mr. DEAKIN.—Possibly. I am not acquainted with the circumstances of South Australia, nor with the extent to which the revenue declined in that State; but I am acquainted with the circumstances of Victoria when the revenue derived from spirit duties fell off, and know that a similar decline could be shown to have taken place in respect to all luxuries and to a considerable degree in respect to necessities also. The circumstances of the time were severe and unprecedented, leading to a remarkable effort—which was superbly successful—made by the whole community to economize at every point in order that liabilities might be discharged and obligations might be met. There was consequently an immense falling-off in the revenue.

Mr. McWILLIAMS.—Not many persons retrenched so far as the consumption of spirits was concerned.

Mr. DEAKIN.—They did—they retrenched in every respect.

Mr. KELLY.—There was not the same falling-off in the revenue of New South Wales at the same time.

Mr. DEAKIN.—The circumstances of the two States were not similar. The land boom in New South Wales collapsed at an earlier date than did that of Victoria, and

the banking crisis in New South Wales was met in another way. Having the direct personal knowledge of one who lived through that period of trial and stress in Victoria, the falling-off in the revenue to which reference has been made conveys to me no such lesson as is sought to be deduced from it. I have made inquiries, and find that the experience of Victoria in that connexion is the only one of the kind that can be quoted. We have to remember that at the time Federation was brought about, two States were levying a duty of 15s. per gallon upon imported spirits, and that Western Australia was collecting a duty of 16s. per gallon.

Mr. FOWLER.—In the latter State, an allowance was made for under-proof spirit, which brought the duty down to about 14s. per gallon.

Sir JOHN FORREST.—I do not think that any allowance was made for under-proof spirit.

Mr. DEAKIN.—I may point out, further, that New Zealand still retains a duty of 16s. per gallon upon imported spirits.

Mr. POYNTON.—That Colony has no local production of spirits.

Mr. DEAKIN.—New Zealand still retains the import duty of 16s., and her revenue has not been reduced.

Mr. POYNTON.—Her case is very different to that of South Australia. There was a very great falling off in South Australia owing to the increase of the import duties.

Mr. DEAKIN.—That was because of the difference between the Excise and the import duties. It was because of the wide discrepancy there between the two duties that the local spirit distilling industry was fostered. Where there is no local distillation, as in the case of New Zealand, the same comparison cannot be made. High duties, such as we propose, prevail in South Africa and elsewhere, and I have yet to find a well established authentic case in which such an increase of the import duty on spirits has led to a decline in the revenue. It is only an advance of 7 per cent. Therefore, I have no reason to suppose that the proposed increase will have any such effect. I am not offering my own opinion, but have read the papers placed before me by the officers of the Treasury and Customs Departments, which support the view that the increase of the import duty to 15s. will not have the result predicted. Moreover, after having made an

independent examination as well as a joint examination of the whole case, and having reconsidered the whole matter, the officers of the Departments mentioned assure me that they are more confident than ever that the acceptance of the proposals of the Tariff Commission to reduce the Excise duties, while retaining the present import duties, would result in a loss of from £60,000 to £90,000 per annum. It is estimated that this loss would result from the substitution of locally manufactured spirit for imported spirit. On the other hand, they think that any change that might take place under the Government proposals would be of a gradual character, extending over a considerable term of years. I need not remind honorable members of the serious effect that any reduction in the revenue would have upon the finances of the Commonwealth, and also at present upon the finances of the States.

Mr. ROBINSON.—The effect would not be nearly so bad as that which would be brought about under the Government proposal to give away £200,000 per annum in connexion with the penny postage system.

Mr. DEAKIN.—I do not wish to argue that question, merely pointing out that in the reduction of the postage, we should get a substantial return, whereas we should obtain no recompense for the reduction of duty. That constitutes the difference between the two cases.

Sir JOHN QUICK.—By making the proposed reduction we should afford protection to local industry?

Mr. DEAKIN.—Yes; and that is very valuable. Our object, however, should be to protect local industry without incurring any loss of revenue.

Mr. JOSEPH COOK.—Is the Prime Minister anxious to foster the establishment of grog shops in our midst?

Mr. DEAKIN.—No, I am not.

Mr. CONROY.—The Prime Minister must be, because that would be the direct result of the Government proposal.

Mr. DEAKIN.—No one with even an elementary sense of chemistry or logic—of which the honorable and learned member is so fond of speaking—would make such an assertion. I should be very loth to support any proposals of a financial or other character that would lead to an increase in the consumption of spirits. I prefer a policy which, while the present

consumption is maintained, will cause a larger proportion of the spirits to be supplied by local producers, thus maintaining the revenue at its present standard. If we accomplish that, we shall have done all that we can expect. The figures supplied have been sifted over again from a fresh point of view, and further questions have been submitted to the Customs and Treasury officials. Having recast their calculations, and investigated the matter from a different point of view, they are quite clear that, putting aside any extraordinary and unforeseen departure one way or the other, and assuming that trade will follow its natural course, the proposals made for reducing the Excise duties would involve the grave loss to which I have already referred — from £60,000 to £90,000 a year. This would be a very serious loss for us to incur at this, or at any other time. I do not wish to enter into other financial questions, but may point out that the Budget this year not only excluded from consideration the possibilities of any alteration in the revenue, arising from the adoption of the recommendations of the Tariff Commission, but also omitted the cost of any new proposals in connexion with a report of the Imperial Defence Committee laid on the table to-day, or any other proposals in connexion with the Defence Department. With the probability of these additional undertakings demanding immediate attention, making a further inroad upon our funds, and with the possibility that there may be other unforeseen calls upon us, it would be in the highest degree unwise to pass measures which would involve such a huge reduction of the revenue as would be forced upon us if the proposals of the Commission were carried into effect.

Mr. PAGE. — What about the loss that will be incurred in connexion with the penny postage proposals?

Mr. DEAKIN. — As I have already stated, I think that in that case we shall receive a *quid pro quo*, whereas we shall have nothing to gain by the reduction of the duties proposed by the Commission. I had before me this morning the very figures which the honorable and learned member for Bendigo has just quoted, and most of which are included in his valuable report. I have examined the explanation which is given of the reasons for the proposed decreases of Excise, and they appear to be very reasonable. I see no-

thing in them, however, to support the theory that the great change proposed can be made without a very serious loss of revenue—a loss against which we ought to protect ourselves. On the other hand, we believe that if we retain the proportion which the Tariff Commission has recommended between the Import and Excise duties, while increasing both classes of imposts, we can fairly expect to hold our own. We might fall a little short, or we might obtain an extra £20,000—the latter is a sanguine estimate. So far as the officers of the Departments can judge, it is not likely that, with the duties we propose, we shall realize more than £20,000 under favorable circumstances, or that we shall lose more than £20,000 under unfavorable circumstances. Examined from all points of view, the calculations made by the officers appear very fair. We have tested the matter by working out the figures on various assumed increases and decreases of Excise and Import duties, and in every case the same result has been arrived at. If honorable members resolve to make this very serious departure, I hope that they will do so with their eyes open. They may feel called upon to sanction it—they may think that the benefits to be gained from it are such that the immense sacrifice is justified. But I do not think that they can afford to set aside the warnings of both the Customs and the Treasury Departments in this connexion. After the fullest inquiry, the opinion of the expert officers of those Departments is that the sacrifice which the proposal would involve is very great—so great that I do not think honorable members would be justified in authorizing it. I hope that upon consideration, even those who realize—as the Chairman of the Tariff Commission does—that the imposition of the increased import duty proposed will complicate the existing relations between the wholesale and retail dealers, and to some extent affect the dealing of the retail publicans with their customers, will recognise that these things must be faced rather than that we should suffer such a dangerous depletion of our Commonwealth revenue. My honorable colleague, the Treasurer, in his Budget statement, estimated the surplus that would be returnable to the States during the current year at £310,000. If that amount be reduced by £90,000, we shall only be able to return to them a little more than £200,000.

Mr. BAMFORD.—The adoption of the recommendation of the Commission would involve a loss of only half of £90,000.

Mr. DEAKIN.—Even a loss of half that sum would be a serious matter. Before the session closes, there are other matters which we shall require to take into account involving expenditure. Under these circumstances, I ask honorable members whether—in order to place the Excise duties upon a fairer footing relatively to the import duties, as the Commission's recommendation certainly does—it is wise to make this great sacrifice? It appears to me that the members of the Commission have discharged their duty very thoroughly by taking fiscal questions into consideration. They seem to have worked out the chief problems submitted to them very carefully, and the Government in their proposals are preserving the same proportions throughout. But to say that in order to obtain the end in view we ought to part with £60,000 during the first year of the operation of the new duties—

Mr. JOSEPH COOK.—The members of the Tariff Commission do not think that the revenue would lose that sum.

Mr. DEAKIN.—We have had the estimates of the Commission, such as they are, carefully checked by our expert officers, and, of course, the latter's calculations were made very much more closely than were those of the Commission. The Commission, having decided that they would not recommend any increase in the import duties upon spirits, and realizing what ought to be done to relieve an industry which had been injured by the operation of the Commonwealth Tariff, naturally looked with a favorable eye upon anything which confirmed their theory that the alteration recommended could be effected without very great injury to the public. I cannot get away from the revenue aspect of this matter. I am sure that to take the step which has been proposed would constitute an act of extravagance in which we are not warranted.

Mr. JOSEPH COOK (Parramatta) [5.5].—I shall support the amendment of the honorable and learned member for Bendigo, who is the Chairman of the Commission which was specially appointed to inquire into this matter. I say at once that if I am called upon to make a choice between the evidence which that body has collected and the opinions which have been

expressed by officers of the Customs Department, I shall not have the slightest hesitation in giving my adherence to the testimony tendered to the former upon oath. I will give the reasons why I make this decided preference in favour of the Commission. My experience of the high officers of the Victorian Customs Department is that they are saturated with political notions. I regret to have to make this statement, but it is nevertheless a fact. More than once the representatives from the other States have been made only too well acquainted with this unconscious bias on the part of Victorian officials in regard to their own industries. For instance, only to-day I saw a letter emanating from the Customs Department, and addressed to a firm in my own State, in which it was pointed out that certain articles—the duty upon which was in dispute—were being made in Victoria, and in which the question was asked why the firm could not obtain its supplies from this State. Is that the function of these officers—to attempt to dictate to a firm where it shall obtain its supplies? I say that it is a piece of right-down rank impertinence on the part of this Customs official.

Mr. PAGE.—Who did that?

Mr. JOSEPH COOK. — The letter which I saw was signed by Dr. Wollaston. It pointed out that the commodity—the duty upon which was in dispute—was made in Victoria, and inquired why the individual in question could not secure his supplies there.

Mr. PAGE.—That is pretty strong.

Mr. JOSEPH COOK.—It is about as strong as anything of which I have heard. That is the attitude which these departmental officials assume towards many industrial questions. They allow their bias to colour and affect their decisions in regard to the payment of duty. For these reasons, and because of other experiences which I have had in connexion with former discussions upon the Tariff, I do not hesitate to prefer the opinions gathered by the Tariff Commission. It is an unfortunate circumstance that these officials should acquire unconscious bias. Above all other things, they ought not to be politicians. They ought to have nothing to do with the question of how the imposition of duties will affect industries. That is for this House to determine. They have merely to see that the revenue is protected. It is

their function to endeavour to interpret the Statutes which we pass, so far as their judgment will allow them to do so. That is one of the reasons why I unhesitatingly prefer to abide by the recommendations of the Commission. Another reason is that I believe more revenue will be collected under a duty of 14s. per gallon than would be received under a 15s. per gallon impost. Further, I am of opinion that a duty of 15s. per gallon would lead to adulteration, and we certainly ought not to induce that by reason of our Tariff decisions. There are three things that we ought to bear specially in mind in dealing with the duty upon grog. In the first place, our desire should be to insure the supply of as pure an article as possible; in the second, we should endeavour to make it as mild as we can in the interests of those who will persist in drinking it; and lastly, we should try to derive from it as much revenue as it will honestly and legitimately yield. I believe that the 14s. per gallon rate represents that point in connexion with the importation of ardent spirits. So far as the fiscal aspect of the question is concerned, I decline to consider it at all. We ought not to consider it in respect of this matter, which has such a very material and moral bearing upon the welfare of the people as a whole. There are other considerations which weigh with me. I think that the liquor trade is one of those that we ought not to be anxious to build up in Australia from the point of view of providing employment for our people. For instance, I am told that the total number of hands engaged in the distilleries in Victoria is 143. That number includes clerks, travellers, coopers, bottlers, and carters. In view of the small amount of labour which this industry employs, we ought not to be so seriously considering the fiscal aspect in connexion with the imposition of duties. I was surprised to learn from the Prime Minister to-day that an increase of duties will not necessarily lead to a decreased importation. That is the only conclusion which can be drawn from the attitude which has been assumed by the Government on the present occasion, and it is one which is directly opposed to the theory which they so constantly advocate, namely, that if we increase the duty upon any article we shall keep out importations. Apparently the Government hold that that theory applies to every other article, ex-

cept grog. Why it should not apply I am unable to understand, particularly when the duty proposed is of so serious a character as it is in connexion with spirits.

Mr. DEAKIN.—That is not my argument.

Mr. JOSEPH COOK.—It is the conclusion which must be drawn from the estimates which have been brought forward.

Mr. DEAKIN.—The conclusion to be drawn is that we should import a less quantity of spirits under the duty proposed by the Government, and consume a larger quantity of locally-produced spirits.

Mr. KELLY.—But at a lower price.

Mr. DEAKIN.—The lesser quantity which we should import would pay 1s. per gallon more.

Mr. JOSEPH COOK.—That would not affect the consumption of locally-produced spirits in the slightest degree.

Mr. DEAKIN.—The importers would be required to pay 15s. per gallon upon a smaller import of spirits.

Mr. JOSEPH COOK.—I am quite content to leave that matter, because to my mind none of these fiscal considerations are worth pursuing. All that we should inquire into is the effect of the consumption of the grog itself, and the effect of the Government proposals upon the revenue of the country. These are the only considerations which ought to weigh with us. My own opinion—and that of the Commission—is that a duty of 15s. per gallon will mean a loss of revenue to the Commonwealth, and will not mean the importation of as much good spirit as the imposition of the lower rate would induce. I think that the more we can insure the supply of pure grog to the public the more we shall be making a stride in the direction of genuine temperance reform. If people will drink grog—and they unfortunately continue to drink it, notwithstanding all the effort which is going on in Victoria and elsewhere—it should be our aim to insure that the liquor supplied to them shall be of the purest possible character. I believe that a great deal of the drunkenness in the community springs from the impurity of the stuff which men pour down their throats. I am quite certain that the imposition of high duties such as those proposed by the Government will have a tendency to induce adulteration. Some time ago I met a publican who told me that he was about to retire from the business. He was an individual with

whom I used to work many years ago. I asked him the reason for his action, and he said that his rent was high, and that other considerations made it almost impossible for him to supply the people with good liquor, and that he would refuse to give them an article which he did not regard as of good quality. The higher the duties that we impose upon spirits, the more likelihood is there that adulteration will be practised. As has been pointed out, the difference between a duty of 14s. per gallon, and one of 15s. per gallon upon imported spirits may mean a difference of 2s. per gallon to the individual who sells them. The public will still desire to obtain the same quantity of liquor for the same amount of money, and consequently the publican, to make the profit which he has hitherto made, will be tempted to adulterate it.

Mr. DEAKIN.—With water?

Mr. JOSEPH COOK.—If a publican dilutes with water the grog which he offers for sale, he is prosecuted for making it more harmless than it would otherwise be.

Mr. HUGHES.—Evidently that is a bad law.

Mr. JOSEPH COOK.—That is, at all events, the law in New South Wales. Men are constantly being prosecuted for simply watering spirits offered by them for sale.

Mr. HUGHES.—For trying to “do good by stealth.”

Mr. JOSEPH COOK.—If spirits are to be diluted it would seem that something more harmful than water must be used, and that in all probability in such circumstances adulteration must take place. The aim of all our legislation should be to cut down adulteration to a minimum, and as far as possible to abolish it. In this connexion, I think that the inquiries of the Commission may have a good result. They propose, for instance, to set up a certificated standard of pure Australian brandy and whisky. These spirits are to subscribe to the chemical test, which they consider ought to be made in a prescribed way, and which will presumably result in the production of as pure a spirit as human ingenuity can devise. As far as they go in that direction the Commission are on right lines. If we could induce the people to drink pure instead of adulterated grog we should be taking a step in the direction of temperance.

Mr. HUGHES.—Are not more people likely to drink spirits if their purity be insured?

Mr. JOSEPH COOK.—No. I am told that blended grog is more largely consumed than is pure spirit—that grog is blended to hit the public taste.

Mr. WEBSTER.—The palate is developed by blending.

Mr. JOSEPH COOK.—That may be; but whether the taste to which this blending ministers is an acquired or a natural one I am not in a position to say.

Mr. HUGHES.—I was speaking of adulteration as opposed to blending. I understand “blending” to mean the mixing of spirits distilled in two different ways.

Mr. JOSEPH COOK.—We have the statement made yesterday by Mr. Joshua that very little pure brandy is drunk in Australia.

Mr. HUGHES.—Very little pure grape brandy.

Mr. JOSEPH COOK.—The people ask for blended brandy.

Mr. WATSON.—They do not ask for it.

Mr. JOSEPH COOK.—Mr. Joshua says that he makes brandy from other things than go to make pure wine brandy. I understand that he largely uses molasses and a mixture of other things, and that he rectifies his spirit, and makes it something that is certainly not pure wine spirit. I am told again that so-called pure grape brandy is not in itself anything like a pure spirit—that certain ingredients are retained which in themselves are not beneficial, but add a flavour to the standard brandy. I am bound to say that I sit at the feet of the Chairman of the Commission. He tells us that after fifteen months spent in making a strict and close inquiry into the whole process of the manufacture of Australian and other spirits, the Commission have come to the conclusion that an import duty of 14s. per gallon is as much as the trade can bear, consistently with providing a pure article for consumption. Believing that, I shall vote with him when we proceed to decide this question. The Prime Minister stated that in New Zealand an import duty of 16s. per gallon is operating to-day. I understand, however, that there is no local distillation there.

Mr. DEAKIN.—None.

Mr. JOSEPH COOK.—There is no local distillation, except that which, perhaps, is carried on illicitly. It is said that prohibition leads to a certain amount of illicit distillation, but on that question I am not competent to express an opinion.

The result of the use of adulterants in this trade is doubtless much like that which follows the adulteration of other articles. If, for instance, the coinage of a country be debased, the inferior article usually drives out the superior one.

Mr. HUGHES.—I do not think that the same law holds.

Mr. JOSEPH COOK.—It seems to operate on the same plane. If the people can obtain an inferior article at a very much cheaper rate than that at which a superior article is offered, there is a tendency for the inferior to drive the superior article out of the market. That is the position with regard to many things, and it seems to me that the remark will apply to spirit. Inferior spirit would seem to be able to drive superior spirit out of the market. It is more easily and cheaply produced, and can be so blended as to hit the popular taste. But I was going to point out that in New Zealand there is no locally produced spirit to compete against the imported article; consequently, as they have to rely upon imports for the whole of their requirements, the people must pay the duty of 16s. per gallon, or go without their supplies. All the evidence we can obtain shows that if the import duties go beyond a certain point in countries where spirits are distilled, inferior local distillations creep in and drive the superior article out of the market. That is made very clear in the report of the Royal Commission which was appointed when the right honorable member for Balaclava was Premier of Victoria. That Commission pointed out, as the Prime Minister has said, that the depression which then existed was largely responsible for the falling away of the revenue of Victoria, but that there was something more—

We regret to say that we regard the fact to be proved that a very inferior quality of spirit is vended, and that this state of things has been fostered by the high duties.

It would therefore appear that, in this respect, spirits are like many other things—the moment one begins to debase them that moment the inferior article becomes popular, and tends to some extent to take the place of the superior one. I am not going to pursue this question further. We have already devoted a day and a half to its consideration, and we ought to be able very soon to make up our minds with respect to the import duty to be imposed. I should

like to hear from the Prime Minister whether the Government have any further proposal to make in the way of a modification of the schedule. Has the honorable gentleman any proposal to make as affecting the excise duty?

Mr. DEAKIN.—One proposal.

Mr. JOSEPH COOK.—Such a proposal unless it referred only to the relation which blended spirit bears under the Excise duties to pure spirit, might affect the question of the import duties to be imposed. I do not know whether the Minister intends to deal with that matter.

Mr. DEAKIN.—There is one proposal only.

Mr. JOSEPH COOK. — It perhaps would not affect to any appreciable extent the question of the import duty.

Mr. DEAKIN.—I think not.

Mr. JOSEPH COOK.—It might affect the question, since if a difference were made in the Excise duty on blended spirit it would establish a different relation between the Excise duty and the import duty on that article. Therefore, the two questions are to some extent interwoven. I thought that the Prime Minister would to-day bring down the further proposals of the Government, so that the Committee would know exactly what they were before being called upon to decide any of these questions. I still think that it would be preferable to have the whole of the facts before us before we are asked to decide any of these questions.

Mr. WATKINS.—We should have all the facts before us before we are asked to vote on any of these questions.

Mr. DEAKIN.—I am quite willing.

Mr. JOSEPH COOK.—It would help the Committee to make up its mind.

Mr. HUGHES.—The Minister of Trade and Customs, on his return from Corowa, may have some further information to lay before us. That is usually the result of his tours.

Mr. JOSEPH COOK.—That is so. The honorable gentleman's week-end perambulations in South Australia seem to have considerably modified his opinions, and possibly when he returns from Corowa and other wine-producing districts, he will have further modifications to propose. Although the honorable gentleman has shown that he is susceptible to some change in his opinions concerning these matters, he has not stayed here to give us the benefit of his altered views. He said that there was something wrong, and by way of interjection declared

that he thought there was "Too much Joshua" about the proposal of the Commission. But, having made that statement, he betook himself from the Chamber, leaving the Prime Minister to bear the brunt of the whole proceedings. As I said yesterday, the action of the Minister in leaving the Chamber when proposals of this kind are under consideration is most reprehensible. I certainly think it is extraordinary that any Government should treat as lightly as the present Ministry appear to be doing, the recommendations and findings of the Commission. If there be any serious blot on the findings of the Commission — if there are any serious amendments to propose—it would be only an act of courtesy on the part of the Government to ask the Commission to give further consideration to its recommendations. That would be a courteous way of treating the Commission. It has not yet been disbanded, and I suppose that its members would not close their minds to the reception of further evidence placed before them for consideration. If it is thought that their proposals should be drastically amended, they should be given an opportunity to reconsider them. The only further knowledge available seems to be the statement of the Customs officers, whose tendency is too much to consider local industries, instead of giving impartial reports such as should emanate from high officials who have no concern with party politics. For the reasons which I have given, I prefer the recommendations of the Commission to those of the Customs officials. The experience available for our guidance shows that the higher the import duties are made, the greater are the temptations placed in the way of the adulteraters and blenders of liquors. Our aim should be to obtain the most revenue we can from the duties on spirits and similar luxuries, and to make it as difficult as possible for those connected with their distribution to do wrong. In my judgment, the increasing of the import duty will offer a distinct temptation to the adulteration of liquor, and will not increase the revenue. I shall, therefore, vote for the amendment.

Mr. SALMON (Laanecoorie) [5.32].—I followed the speech of the honorable member for Parramatta very closely, and regret that I cannot accept his reasoning. He made what was, in my opinion, a somewhat unfair aspersion upon the officers of the Customs Department.

Mr. McWILLIAMS.—He has the letter.

Mr. JOSEPH COOK.—I have not got it, but I saw it to-day.

Mr. SALMON.—I do not excuse the writing of that letter, and, if the facts are as the honorable member has stated them to be, it will be for the Minister to deal with the case. That sort of thing should not be permitted, no matter what position an officer may occupy. I allude to the honorable member's suggestion that our Customs officials have a predilection for bolstering up Victorian industries.

Mr. JOSEPH COOK.—That is the case I rely upon.

Mr. SALMON.—The honorable member cited their report to the Minister, with its examination of figures and conclusions, as an attempt to assist Victorian industries.

Mr. JOSEPH COOK.—I said that my experience of them is that they are unconsciously biased in that direction.

Mr. SALMON.—In that case, they would better serve the end which the honorable member says they have in view by supporting the recommendations of the Tariff Commission. I think that, from a protectionist's point of view, it would be better to lower the Excise than to increase the Customs duties. But the Government and the officers of the Customs Department are the guardians of the public revenue, and in that position must be very vigilant. It reflects the highest credit upon them that they are at all times ready to protect the revenue, and to warn Parliament of actions likely to be detrimental to it. Some honorable members seem to think very lightly of a loss of revenue amounting to between £60,000 and £90,000 a year, but I am not one of them. I consider it a very important matter. I am not anxious, as some honorable members seem to be, for the imposition of direct taxation by the Commonwealth Parliament.

Mr. POYNTON.—Why did the honorable member, when in the Victorian Parliament, vote for the reduction of the duty on spirits?

Mr. SALMON.—The honorable member is now talking very ancient history.

Mr. FOYNTON.—The honorable member did so in order to increase the revenue.

Mr. SALMON.—I may have done so; my object now is to save the revenue.

Mr. McCAY.—Is it not to make an unproved assumption to say that it will increase the revenue to raise the import duty?

Mr. SALMON.—I am not making that assumption. It is a question, not of increasing the revenue, but of preventing the loss of revenue.

Mr. McWILLIAMS.—The honorable member says that, if the duty is not raised, there will be a loss of revenue amounting to at least £60,000.

Mr. SALMON.—I have not said so; but it is reported by responsible officers of the Customs Department that if the Excise duties are lowered as recommended by the Tariff Commission, there will be a loss of revenue amounting to between £60,000 and £90,000.

Mr. McCAY.—Does the honorable member think that that loss will be prevented by increasing the Customs duty by 1s. per gallon?

Mr. SALMON.—I have not said so, and I do not think that the Customs officials say so.

Mr. McCAY.—Then why make the increase? If we shall not prevent that loss by increasing the Customs duty by 1s., why should we increase it?

Mr. SALMON.—If the honorable and learned member had listened to the report read by the Prime Minister, he would know that the Customs officials say that the present revenue will be about maintained, but not increased, by raising the Customs duty by 1s.

Mr. McCAY.—The question is, which will return most revenue, a duty of 14s. or a duty of 15s.?

Mr. SALMON.—There is a very simple answer to that question. It will depend upon the quantity imported.

Mr. McCAY.—A fact which the Departmental officers seem to have forgotten.

Mr. SALMON.—I do not think so. I had a slight association with them for a brief period.

Mr. McCAY.—I had a still slighter association with them for a still briefer period.

Mr. SALMON.—No doubt the honorable and learned member's association with them was sufficiently long to give him a high idea of their patriotism and capacity.

Mr. McCAY.—I do not think that they are infallible.

Mr. SALMON.—Nor do I. We have before us the proposals of the Tariff Commission and those of the Government, and I intend to support the latter, accepting the statement of our responsible officers that the adoption of the Tariff Commission's proposals would mean a loss of revenue of

between £60,000 and £90,000 a year. In my opinion, the importation of liquor should be discouraged as much as possible. I am not in favour of the unrestricted use of spirituous liquors, and should like to see spirits used as little as possible. The reduction of the excise duties, while benefiting local distillers, will encourage the increased use of liquor, and I shall oppose it on that ground. For these two reasons, which I think are sufficient to justify such action on the part of any one who thinks as I do, I shall vote against the amendment.

Mr. KELLY (Wentworth) [5.40].—The honorable member for Laanecoorie seems to be uncertain as to whether the increase in the import duty proposed by the Government will make the revenue larger or smaller.

Mr. SALMON.—It will maintain it at about what it is now.

Mr. KELLY.—The honorable member did not inform the Committee why he thinks that a higher duty will lead to equally larger importations. As a general rule, the higher the duty, the smaller the importation of the article to which it applies. In this matter, I propose to accept the verdict of the protectionist Commission which reported to the Victorian Parliament in 1895 in the following terms—

In regard to the import duty on spirits, the revenue of Victoria therefrom has been as follows:—

1890-1	...	...	£659,838
1891-2	...	...	691,306
1892-3	...	...	376,343
1893-4 (to 30th April)	...	...	331,047

Making every allowance for the decrease of duty caused by depression in the colony, and for the disturbance of trade at the time of the increase of duties in July, 1892, we think that the higher rates have resulted in a very marked decrease of revenue.

Mr. DEAKIN.—I entirely disagree with that.

Mr. KELLY.—The honorable member for Laanecoorie has explained that he supports the proposals of the Government for two reasons—that they will result in the maintenance of the revenue, and that they will tend to bring about temperance. The report which I have read completely discounts his assumption in regard to the maintenance of the revenue, while, as to the encouragement of temperance, which the honorable member finds it convenient to advocate at the present time, I think that the temperance people are not anxious that we should devote ourselves to the building up of an industry in which they

do not believe. If the honorable member is really desirous of assisting the temperance cause, he will have to vote later on for increasing the Excise duties.

Mr. SALMON.—Whv?

Mr. KELLY.—In order to benefit the revenue, and to prevent the fostering of an ignoble industry.

Mr. SALMON.—Is it not better to have the industry in Australia under proper supervision than to rely on importations?

Mr. KELLY.—The honorable member is now shifting his ground. He told us a few moments ago, with his hand on his heart, that his object is to prevent the sale of grog, but, when I accuse him of wishing to foster the distilling industry, he says—still with his hand on his heart—that he does so only because it gives an opportunity to control the manufacture of such spirits. The attitude of the honorable member has varied as I have described. He knows that he advocated these proposals on two grounds: in the first place, because of the protection that they would afford to the revenue; and in the second place because he was anxious on temperance grounds to see a decrease in the consumption of spirits.

Mr. SALMON.—I never mentioned temperance.

Mr. KELLY.—Then I have unwittingly done the honorable member a wrong. I shall refer to *Hansard* to see whether he did not refer to temperance. I desire to direct attention to the conclusions arrived at by the Victorian Tariff Board with reference to the deterioration in the quality of spirits brought about by the increase of duties in that State. The Board say—

On this important subject we heard the evidence of every branch of the trade and of some disinterested persons. On the main point, viz., that the spirit duties should be reduced, there was a perfect unanimity of opinion.

An importer of wines and spirits, who represented the importing trade, placed before us some very instructive figures in regard to the effect of the late increases of duty on the revenue. The duties, import and excise together, collected in Victoria in 1891-2, the year before the increases of rate were levied, were, he said, £806,622. In 1892-3, in the early part of which year the higher rates came into force, the amount was £472,805, showing a decrease of £333,817.

During the same years he pointed out that the revenue in New South Wales, where both import and excise duty is 14s. per gallon, with an allowance for under-proof spirits, had not fallen in anything like the same ratio, the decrease being from £860,134 in 1891-2 to £746,743 in 1892-3, equalling £113,391. This greater proportionate decrease of the revenue of Victoria was attributed partly to the depressed

condition of the Colony, but very largely to the high duties imposed. The importers generally stated that the high duties had seriously crippled the trade. Their imposition almost prohibited the importation of high class French brandy and other spirit, and had led to the importation of low class spirits. The price had been raised beyond the consumers' means, and the better class of spirits had, to a great extent, gone out of consumption.

A little later on they remark—

We gather from the evidence that the high duties have fostered corruption in the trade, and led to much business immorality. Although we have no direct evidence, we firmly believe, and indeed the records of the Excise Department show, that inferior spirit is constantly sold fraudulently under the cover of good brands. The blending of colonial spirit with imported we believe to be general, and we further think that the blend is sold as imported spirit. One witness told us that he had endeavoured in vain to find out where the large amount of colonial spirit produced was vended.

The high duties have also, we believe, fostered illicit distillation. Several illicit stills have lately been discovered, and a Melbourne merchant told us that he had reason to believe there were many others, and that illicit distillation was on the increase.

These statements of the Board gave rise to protests on the part of the distillers of Victoria. The Board again looked into the matter, and subsequently reported as follows:—

Although the duties on spirits, wine, and beer were dealt with fully in the first report, at the urgent request of representatives of the distilling industry, we took further evidence upon the subject. A large amount of additional interesting information, which we do not think it necessary to recapitulate, will be found in the minutes of evidence. No material facts of sufficient importance to induce us to alter our principal recommendations were, however, brought to light. Much of the evidence has, on the other hand, tended to show that our proposal for the alteration of the duties is moderate and equitable and necessary in the interests of the revenue.

This matured verdict of the Victorian Tariff Board effectively disposes of the claim that a duty of 15s. is necessary in the interests of the revenue, and also shows that a high duty will inevitably lead to deterioration in the quality of the spirit supplied, and to the introduction of corrupt practices into the trade. In this Parliament we have always professed to be solicitous for the moral and material welfare of the people whose interests are committed to our charge. We have very properly insisted upon the temperance traditions of the Papuans being thoroughly maintained, and we have decreed the abolition of military canteens. Even the private privileges of honorable members were

Mr. Kelly.

threatened at one time. Now an opportunity is presented to us to show that we really wish that the people's drink shall be as free as possible from deleterious elements. I think that the Commission are infinitely better able to give a matured verdict than are the officers of the Customs Department. The Commissioners have heard the evidence of the officers, and have subsequently come to the conclusion that the duty ought to be maintained at 14s. I shall support their recommendation.

Mr. POYNTON (Grey) [5.55].—I intend to support the recommendation of the Commission that the duty be maintained at 14s. I am prompted to do this in the interests of the revenue. I find that the local production of spirit has increased by 50 per cent. during the last few years, and that it is at present nearly equal to half the total consumption of the Commonwealth. This development has taken place, whilst there has been a margin of only 1s. between the import and Excise duties, and we may assume that if further protection is granted to the local distillers the production will very largely increase, and that in the very near future the whole of our requirements will be met by the local distillers. Within six years the production of spirits in the Commonwealth has been increased from 700,000 gallons to 1,500,000 gallons, whereas in four years the importation of spirits has decreased from 3,000,000 to 2,500,000 gallons. I should think that the Prime Minister and the Treasurer would be alarmed at the prospect of a greater margin being allowed between the import and Excise duties, because a great shrinkage of revenue must take place. If we insist, however, upon raising the import duty to 15s., our position will be worse still. I would point out to honorable members that we pay a very high price for the maintenance of the local distilling industry. Even assuming that there is no increase in the local production, we shall, under the Government proposal, lose 2s. upon every gallon of spirit locally produced, and will thus pay £150,000 per annum towards the support of the Australian industry. These figures are enormous when we consider the very small advantages that are conferred upon the community. Very few hands are engaged in our distilleries. Messrs. Joshua Brothers, who, perhaps, have the only up-to-date distillery in Australia, admit that they do not pay more than about £100 per week in wages. Mr. Joshua told the Tariff

Commission that he could, in the very near future, supply the whole of the spirit required for consumption in the Commonwealth. Joshua Brothers' distillery is really the outcome of London enterprise, because 78,000 shares in the company are held in London.

Sir JOHN QUICK. — Seventy-eight thousand sovereigns were spent in Victoria.

Mr. POYNTON. — It is proposed to allow a very big margin between the Excise and import duties for the advantage of a London company, which threatens in the near future to deprive the Commonwealth of a great amount of revenue by displacing imported spirit with their product.

Mr. HUTCHISON. — From what article are they making spirit?

Mr. POYNTON. — From the refuse of sugar.

Sir JOHN QUICK. — That is not correct.

Mr. POYNTON. — Sugar spirit is largely used in the manufacture of Joshua Brothers' brandy. According to the evidence of the manager of a mill in New South Wales, this firm was the biggest purchaser of the spirit which was distilled from molasses.

Sir JOHN QUICK. — They do not say that in respect of brandy. The spirit to which the honorable member refers was sold for methylating purposes.

Mr. POYNTON. — At any rate, it is largely used in the production of blended spirits.

Mr. HUTCHISON. — Last year half of it was used for industrial purposes.

Mr. POYNTON. — In my judgment, the Government proposal represents protection run mad. If we allow that we are losing 2s. per gallon by differentiating between the import and the Excise duties upon spirits, it represents a sum of £156,000 annually.

Sir JOHN QUICK. — That money is spent in the country.

Mr. POYNTON. — We could obtain a large amount of labour for that sum. If we allow a difference of 3s. per gallon as between the import and the Excise duties upon spirits, it means a loss of revenue of £225,000 annually, and in my opinion 3s. per gallon more nearly represents the loss which we incur than does 2s. I shall vote for the imposition of a duty of 14s. per gallon.

Mr. HUTCHISON (Hindmarsh) [6.3]. — I intend to support the proposal of the Government. I can understand the honorable and learned member for Bendigo submitting

an amendment in favour of levying a duty of 14s. per gallon upon imported spirits, because in its admirable work the Tariff Commission framed a complete scheme.

Mr. FISHER. — Why should that body recommend the imposition of a particular rate?

Mr. HUTCHISON. — That is its concern. It is not necessary for us to accept the duty which the Commission has recommended. The only argument which has been advanced against a rate of 15s. per gallon is that it would mean a considerable loss of revenue. I do not agree with that statement. But even assuming that we lost considerably by levying a duty of 15s. per gallon upon imported spirits, we should obtain an infinitely larger revenue from other sources. The adoption of the Government proposal would mean that more work would be provided in the industry in the Commonwealth, and thus the revenue would be more than recouped. It has also been said that the industry affords very little employment. Some honorable members appear to think that the only labour which it employs is that which is directly engaged in distillation. That is not so. We have to consider all the subsidiary industries connected with it. I need scarcely point out that at the present time we do not print the labels or manufacture either the bottles or the corks which are used in connexion with a large quantity of the spirits which are imported. Then it has been urged that the effect of the Government proposal will be to reduce the quality of the liquor which is supplied to the public. I maintain that there is nothing whatever in that contention owing to the operation of the Food and Drugs Acts in the various States. If honorable members will turn to progress report No. 2 of the Tariff Commission they will find that in 1905 the quantity of spirits imported into the Commonwealth exceeded that which was introduced in 1899 by 55,887 gallons. But there was this difference: That the value of the spirits imported in 1905 was less than the value of the importations of 1899 by £40,315. These figures seem to point to a very great deterioration indeed in the quality of the spirits which are imported. I think that the spirits which are introduced into the Commonwealth from abroad have already reached bed-rock so far as quality is concerned.

Mr. SKENE. — That was the case when the duty imposed was a high one.

Mr. HUTCHISON. — It is the case under the operation of the present duty. At any rate, I am quite prepared to try the experiment proposed by the Government. The States will then be compelled to legislate to insure the supply of pure liquor to the public. In discussing this matter we must consider whether the loss of revenue which will flow from the adoption of the Government proposal will not be more than compensated for by the increased revenue which will be obtained from other sources as the result of increased employment being afforded to our own people.

Mr. HENRY WILLIS (Robertson) [6.8].—I listened with interest to the remarks of the Prime Minister, and I gathered that his object in opposing the amendment of the honorable and learned member for Bendigo was to encourage the local production of spirits. He admitted that, under the Government proposal, there would be a falling off in the quantity of spirits imported, but he urged that there would be a larger production of locally-distilled spirits. I am given to understand by those who are engaged in the business that Australia is well catered for, so far as the quality of the spirits which are imported is concerned. I gathered from the Prime Minister's remarks that he favours placing upon the Australian market a locally-produced article, in preference to the pure spirit which is imported. When I was at Kilmarnock I was informed that Walker's firm was not in the habit of sending to Australia whisky which was under ten years of age. In Ireland I was the recipient of similar information respecting Robertson's whisky. These facts go to show that we are well catered for in the matter of high-class whiskies. It seems to me that the Prime Minister's desire is to keep these whiskies out of our market. By so doing, he maintains that we shall obtain more revenue from the raw, immature spirit which will be produced locally, and the consumption of which will be likely to increase.

Mr. DEAKIN.—The honorable member has not read the Tariff Commission's report.

Mr. HENRY WILLIS.—I am quoting the observations of the Prime Minister.

Mr. DEAKIN.—The honorable member is not. Every recommendation of the Tariff Commission requires that spirits, whether imported or locally distilled, shall be matured in wood for two years.

Mr. HENRY WILLIS. — How does such a recommendation compare with whiskies which have been matured for ten years?

Mr. DEAKIN.—It is only a few minutes ago that I was handed a telegram in which the importers protest against the recommendation of the Tariff Commission being adopted, upon the ground that it would be impossible to comply with it—

Mr. HUTCHISON.—I doubt whether there is very much whisky consumed in Australia which has been matured for ten years.

Mr. HENRY WILLIS.—Undoubtedly there is a large importation of inferior spirits, in addition to the well matured whisky I have referred to, as can be readily understood from a perusal of the different prices which are charged for them. When in Western Australia a short time ago, I was struck with the number of fresh brands of whisky which are upon the market there. Upon making inquiries I found that it was impossible to introduce into that State a whisky which was not well matured, and which would not compare favorably with the productions of such well-established firms as Walker and Robertson.

Mr. HUTCHISON.—The inspector of Excise in Western Australia says that amongst all the samples which he has examined he has scarcely found a pure article.

Mr. HENRY WILLIS.—It is quite beyond the province of the honorable member to say that. Of course, I recognise that there is a very large quantity of inferior spirit imported into the Commonwealth for various purposes. One has only to take the catalogue of a wine and spirit merchant to note the marked difference between the prices of various brands. If a merchant were asked the question he would probably tell his customer that he could get "Bulloch Lade" whisky for half the price which is charged for Walker's "Red Collar" brand. It is perfectly true that prior to the enactment of the Federal Tariff, very good whisky could be purchased in Victoria. But as soon as Inter-State free-trade was established, one large firm here practically closed its works, and imported from New South Wales a cheap spirit made from molasses—a spirit to which it previously had no access. That is the spirit which is upon the market at the present time, and which the Government apparently wish to bring into general consumption. On behalf of the drinkers

of whisky, I urge that we should insist upon the public being supplied with a pure article which has been matured by age in wood. I have seen experiments conducted with all kinds of spirituous liquors. When I was a young fellow, it was quite a common thing for experiments to be undertaken with highly rectified spirit; and I recollect that it was possible to convert that spirit into almost any liquor that one desired. This result was accomplished by a process of flavouring and colouring.

Mr. DUGALD THOMSON.—It was done with spirit taken out of the same bottle?

Mr. HENRY WILLIS.—Practically. The spirit was taken out of the same bottle, colouring and flavouring properties were added, and thus one was enabled to produce almost any liquor desired.

Mr. MALONEY.—These things, like margarine in butter, need an expert to detect their presence.

Mr. HENRY WILLIS.—That is so, but an expert can at once detect the difference between whisky made from highly-distilled molasses spirit, and that made from malt. If the honorable member has been through the gap of Dunloe, and has had an opportunity to taste the whisky illicitly distilled there and supplied to travellers—

Mr. FOWLER.—And distilled at a low alcoholic strength, which is characteristic of all those distillations.

Mr. HENRY WILLIS.—It is a very fiery liquor. One dose of it is sufficient to lay one up. I believe that illicit distillation is being very largely carried on in all parts of Australia. Spirit so produced is mixed with the best imported spirits, and the agents for the latter have travellers constantly visiting hotels and making tests for the purpose of detecting any such adulteration. This adulteration of imported whisky with inferior Australian whisky is largely practised. The Prime Minister, in opposing the proposal of the Chairman of the Commission, is actuated by a desire to discourage the consumption of the imported article, and to secure an increase in the consumption of that made locally, which is chiefly the product of Joshua Brothers' distillery. Joshua Brothers openly assert that they use a cheap Australian spirit in the manufacture, not only of whisky, but of brandy, and that they desire to discourage the consumption of pure brandy made exclusively, as in South Australia, from grape spirit. Twenty years ago,

when Australian grape brandy was placed on the market, it was generally recommended by the medical profession as suitable for fever patients. As a pure brandy, it was preferable to imported brandies, since it contained the ethers so necessary to bring about a reduction of temperature with the least possibility of danger to the patient to whom it was administered. The tendency of the Government proposal is rather to encourage the consumption of inferior spirits to the disadvantage of some of the high-class whisky and brandy—which is chiefly imported—sold in the Australian market. That being so, I feel it my duty, in the interests of a pure liquor supply for the people, to support the amendment moved by the honorable and learned member for Bendigo.

Mr. FULLER (Illawarra) [6.20].—The proposal of the Government that the import duty on spirits shall be increased to 15s. per gallon has been put forward on the ground that it is necessary from the stand-point of the Treasury. It has been pointed out by the Prime Minister that, after the sudden disappearance of the Minister of Trade and Customs, he caused inquiries to be made by competent officers, with the result that they arrived at the conclusion that the Government proposition is one which, because of revenue considerations, should be adopted. I did not have an opportunity to hear the speech delivered by the Prime Minister, but I gather that he failed to put before the Committee the grounds upon which these officers arrived at the conclusion that if the proposition of the Tariff Commission, that a duty of 14s. per gallon be imposed, were adopted, it would result in a loss of revenue. It must be patent to any one having a fair knowledge of this question that when the duty on spirits is increased from 14s. per gallon to 15s. per gallon, it becomes, not a revenue, but a protective one. From that point of view, I can understand such a proposal as that emanating from the Minister of Trade and Customs, as the representative of a protectionist Administration.

Sir JOHN FORREST.—Does a difference of 1s. per gallon convert a revenue duty into a protective one?

Mr. FULLER.—I think that it does. The honorable member for Wentworth has quoted statistics showing that the result of an increase in the spirit duties imposed under the Victorian Tariff was an

immediate reduction in the revenue. We may reasonably expect that if the Government proposal be adopted there will be a reduction of revenue, and that the duty will have a protective incidence. Since it appears that the Government have not proved their case, and as the honorable and learned member for Bendigo, as representing the Commission, has moved that the duty be 14s. per gallon, I think that honorable members would be well advised in voting for the amendment. The Government have been referred to more than once during this debate as the custodians of the revenue, but they have failed to put before the Committee any satisfactory reasons for their proposal from that stand-point. All that they tell us is that, "Having referred this question to competent officers, we have arrived at certain conclusions." They have given the Commission and honorable members generally no opportunity to examine the grounds on which that decision is based. We know that the effect of an increase in the import duty on spirits under the Victorian Tariff was to decrease, not to increase the revenue, and that being so, I appeal to the Committee to support the amendment. It is also clear that high duties have a strong tendency to lead to the introduction of spirits of an inferior character. A consideration for the health of the general public is one of the principles on which the recommendations of the Commission are based. We came to the conclusion that a duty of 14s. per gallon was the highest that could be recommended, consistently with a desire to conserve the revenue, and to secure the sale of as good a liquor as possible. What is the great Australian industry which it is said would be built up by this increased duty? It has been pointed out that labour is a very small factor in the distilling industry. I have not the exact figures by me, but I know that the proportion of the labour to the output is the smallest that any of the great industries of Australia show. Mr. Joshua, when giving sworn evidence before the Tariff Commission, distinctly admitted that the distilling industry would have but little effect on the farming industry. It has been said that if this industry were successfully established it would be of immense benefit to the farming community, but even if the whole of the spirit consumed in Australia were made

Mr. Fuller.

out of the products of our farmers, the effect of the industry upon the farming community would be so small as to be hardly worthy of consideration. Other cognate trades in connexion with the distilling industry have also been mentioned, but, viewing this matter from even the stand-point of the protectionists, I hold that the industry gives so little employment, and is of such small moment to the farming interests of Australia that it is not worth so big a price as we are asked to pay for it. Having gone fully into this question, I would strongly recommend the Committee, in the absence of the information which we are entitled to expect from the Government as to the grounds on which they have based their conclusions, to vote for the amendment.

Mr. McCAY (Corinella) [6.28].—I am at a loss to follow the free-trade and protectionist aspects of this question as put by honorable members. It seems to me that it is purely a question of revenue, and that it has been so put before the Committee by the Government. The intention is that the same difference between the Customs and Excise duties shall be maintained, whether the Customs duty be fixed at 15s. or at 14s. per gallon, and it is on that understanding that I intend to vote in the way I shall indicate. I do not feel that the information which has been submitted by the Government would justify me in departing from the considered recommendations of the Tariff Commission. The Commission have given this matter their very careful attention, and their report is one of the comparatively few unanimous reports that we shall receive from them. In their recommendations they certainly propose a considerable difference in favour of the local manufacturer which would have a result that I, for one, am not going to quarrel with, and there has been no evidence of a satisfactory character submitted by the Government to suggest that the change of the import and Excise duties from 14s. and 10s. per gallon respectively to 15s. and 11s. per gallon would prevent that decrease of revenue which the Treasurer desires to avoid. If I had been satisfied that the prevention of a decrease of revenue would have been brought about by an increase of both duties without a deterioration in the quality of the liquor, the position might have been different. But if spirits are to be consumed, I think it

is desirable that they should be of good rather than of inferior quality. I certainly do not wish to see as the result of any alteration of duties an inferior quality of liquor brought into consumption. Holding these views, it seems to me that, looking at the matter purely from a revenue stand-point, the Government have not justified the variation from the report of the Tariff Commission which they propose. I therefore intend to support the recommendation of the Commission, but on the understanding that the difference between the Customs and Excise duties is maintained, as suggested by that body, and as is proposed by the Government.

Sitting suspended from 6.30 to 7.30 a.m.

Mr. FISHER (Wide Bay) [7.30].—Last evening I took occasion to draw the attention of honorable members to the wording of the commission under which the proposals which we are now discussing have been recommended. I then expressed the opinion that the scope of the commission was an exceedingly confined one, and the more I consider the matter, the more am I convinced that that is so. In my opinion, the Commissioners, in recommending an actual schedule of duties, have exceeded their powers.

Mr. JOSEPH COOK.—How does the honorable member prove that?

Mr. FISHER.—The commission contains no words conveying the power to make such a recommendation. This is a point with which the Committee should not deal lightly. I presume that the powers of Commissioners are strictly limited to those specifically delegated to them in their commission, and in the commission issued to the Tariff Commissioners I can find no terms empowering them to recommend a schedule of duties. The Commissioners were appointed "to inquire into the effect upon Australian industries of the said Tariff."

Sir JOHN QUICK.—And into the working of the Tariff generally.

Mr. FISHER.—That is so.

Mr. JOSEPH COOK.—For what purpose, if not to make recommendations?

Mr. FISHER.—I have no objection to their making recommendations; but they had no power to bring down a schedule of duties. The Commissioners were appointed by the Crown to report to the Governor-General, and are not responsible to Parliament. They have prescribed certain rates of duties, which may or may not be

sufficient for carrying on the services of the Government.

Mr. JOSEPH COOK.—They have only suggested to the Governor-General the adoption of such rates.

Mr. FISHER.—The Government have laid their proposals on the table, and these proposals are now in the possession of the Committee. Although the members of the Commission displayed great ability and assiduity in the performance of their duties, they have not complied with their instructions. It is clear that they should have reported upon the good as well as the bad effects of the Tariff, but I cannot find that any evidence was taken regarding its good effects. Therefore, the Commissioners have only partly carried out the task allotted to them, although they have exceeded their powers by submitting a schedule of duties.

Mr. JOSEPH COOK.—To do what the honorable member suggests would probably take them twenty years.

Mr. FISHER.—I should have no objection to the appointment of a permanent Commission, to take evidence and make recommendations in regard to the working of the Tariff, but I should not allow such a Commission to submit schedules of duties. The Government have a double responsibility. They are the responsible advisers of the Crown, and are also responsible to Parliament for the proper administration of the Public Service, for which they have to provide sufficient funds. In my opinion, the Tariff Commissioners were not empowered to recommend a schedule of duties. Moreover, they have had regard, in considering these questions, only to the effect of the Tariff on certain industries, and, while they may desire the imposition of higher duties for the protection of certain industries, the effect of alterations of the Tariff can be dealt with properly only by responsible advisers of the Crown, whose duty it is to provide funds for the administration of the public services of the country.

Mr. JOSEPH COOK.—There is no reason why any one should not make recommendations or suggestions.

Mr. FISHER.—I do not object to any member of the community making recommendations to the Government; my point is that a body appointed by, and responsible only to, the Crown, should not say what are the proper duties to impose.

Mr. JOSEPH COOK.—They were appointed specifically to do so.

Mr. FISHER.—I contend that they were not. They should have avoided recommending specific duties, because the responsibility of administering the government of the country rests, not upon them, but upon the Executive.

Mr. SKENE.—Their recommendations would have lacked definiteness if they had not done something of this kind.

Mr. JOSEPH COOK.—They would have been valueless.

Mr. FISHER.—The more indefinite they were, the better it would have been. They would have been able to say, "We have carried out our instructions, and have inquired into the effect of the Tariff upon Australian industries. We find that one industry has suffered, and that another has prospered greatly under the present duties." In making such a report, they would have been carrying out the whole of their allotted task, whereas, as I have pointed out, they have left part of it undone. I make no complaint about that, because I agree with the honorable member for Parramatta that they have not had time to do more than they have done. The Commissioners were appointed also, as the Chairman has reminded me, to inquire into the working of the Tariff generally. Prior to their appointment many complaints were made regarding the administration of the Tariff, but, in my opinion, the power to inquire into the working of the Tariff generally did not give the Commissioners the right to bring down proposals for specific rates of duty. Nothing could be more mischievous in the public interest than to have questions such as those involved in the arrangement of a Tariff decided by a Royal Commission.

Mr. JOSEPH COOK.—The Tariff Commissioners can decide nothing; they can only recommend.

Mr. FISHER.—The leader of the Opposition has declared that he will support the Government in reference to any recommendations as to duties upon which the Tariff Commissioners are unanimous, so that the result is that a body not responsible to Parliament is actually determining what shall be the rates of duty imposed on certain articles, and is interfering in a most important part of the government of the country, namely, its financial part. It has been said by a high authority that finance is government, and government is finance,

and we are having a Tariff settled by a number of persons who, however able and desirous of doing their duty to the Commonwealth, went beyond their powers in this matter.

Sir JOHN QUICK.—If the honorable member's view is correct, and the Tariff Commissioners had adopted it, our work would have been very light.

Mr. FISHER.—I put forward my view with the greatest deference to those who differ from me, but I submit that it is not too late to begin again on the right track. We are only at the commencement of the history of Commonwealth government, but, if we start on the wrong track, we do not know what mischief may follow.

Mr. JOSEPH COOK.—This is a very old Parliament, and the Constitution is now very old. All sorts of evils have grown up in connexion with it.

Mr. FISHER.—My ideas with regard to age do not coincide with those of the honorable member for Parramatta. At the outset of our career as a Parliament we ought to be exceedingly careful not to tread any path likely to lead us into difficulties, or to result in our establishing precedents that would be dangerous in the future. I think that the Commission would do well to content themselves in the future by indicating that certain industries, for example, had been injured by the operation of the Tariff, and recommending that more protection should be granted in order to place them on a footing equal to that which they occupied under State legislation. Any such report would cover the whole of the ground, and would not in any way weaken the recommendations of the Commission. In the same way, if they found that certain industries were prospering under the Federal Tariff to a higher degree than previously, it would be their duty to bring that fact under the notice of Parliament. I submit that this is an important matter, and that I am not exceeding my public duty when I ask the Government to give it their attention, especially when the Chairman of the Commission indicates that the duties of himself and his colleagues would be very much lightened if an understanding in the direction I have indicated could be arrived at. I believe that good results would follow from the appointment of a permanent body of experts for the purpose of taking evidence, and reporting to Parliament with respect to the operation of the Tariff in

regard to various industries. No one would suggest that such a Board should recommend the adoption of specific duties in any case. They would merely direct the attention of the Government to the fact that an industry was failing for want of sufficient protection, or for some other reason, and leave it to Parliament to decide whether, and in what manner, relief should be afforded. I do not know of any Commission having recommended the adoption of specific duties. If, however, other Commissions have done so, they have, in my view, taken a wrong course. Only one body of men, namely, the Executive, are responsible to this Parliament for carrying on the services of the Crown. They are in duty bound to shape the financial policy of the country, subject to the review of Parliament, and they should be subject to no undue influence on the part of an outside body such as the Tariff Commission.

Mr. JOSEPH COOK. — The honorable member is laying down a very strange doctrine—that a Royal Commission may inquire, but not make recommendations.

Mr. FISHER. — I do not object to their making recommendations.

Mr. JOSEPH COOK.—That is all that the Tariff Commission have done.

Mr. FISHER.—What I object to is the fact that they have recommended the adoption of a definite scale of duties. In doing so, I contend that they have exceeded the order of reference. Even if they have not exceeded the order of reference they have presented their report in the very worst possible form. I may point to the fact that the first unanimous decision of the Commission with regard to the imposition of new duties was made public before the Government became aware of it, and certain persons were thus enabled to rob the Commonwealth. Even though the Commission may be acting within the order of reference in recommending the adoption of specific duties, they are certainly not doing that which is best calculated to conserve the interests of the country. They should make general recommendations and allow Parliament to decide what the amount of duty shall be.

Mr. JOSEPH COOK.—Is the honorable member in favour of an import duty on spirits of 14s. or 15s.?

Mr. FISHER.—That is a trivial matter, compared with the one I am now discussing.

Mr. JOSEPH COOK.—It may be, but it happens to be the question before the Chair.

Mr. FISHER.—I am discussing the form in which the Commission have presented their recommendations, and am pointing out that if they persist in their present line of conduct, they may create a difficulty with the Executive which may exist for all time, and may establish an exceedingly bad precedent.

Mr. JOSEPH COOK.—The Commission are following in a well-beaten track.

Mr. FISHER.—This is the first occasion upon which such a recommendation as that now before us has been made to this Parliament.

Mr. SYDNEY SMITH.—That is because this is the first time that a Tariff Commission has reported to us.

Mr. FISHER.—Does the honorable member think it desirable in the interests of the country that a Commission appointed by one Government should recommend the adoption of specific duties by another Government holding views entirely different from those of their predecessors with regard to fiscal matters?

Mr. SYDNEY SMITH.—The Commission were not appointed in the interests of any particular Government, but were appointed by the Crown.

Mr. FISHER.—I am using the term "Government" as applied to responsible Ministers of the Crown. I have no legal acumen to bring to bear upon the discussion of this question, but I am endeavouring to take a common-sense view of it. I think it would be wise for the Tariff Commission to content themselves by stating in future reports that certain industries have been injured by the Tariff, and that in their opinion relief should be given by an increase of duty.

Mr. JOSEPH COOK.—The honorable member has been out of order for twenty-five minutes.

Mr. FISHER.—I could easily have raised a point of order, but I did not desire to do so. Moreover, I do not wish it to be supposed for a moment that I am discussing this matter upon party lines. It seems to me that a serious innovation has been made, and that the Tariff Commission should in future reports adopt a line of conduct approaching that which I have suggested.

Mr. SYDNEY SMITH (Macquarie) [7.56].—The honorable member for Wide

Bay appears to think that because the late Government appointed the Tariff Commission they should not make any recommendations to the present Government.

Mr. FISHER.—I did not say anything of the kind.

Mr. SYDNEY SMITH.—That is how I understood the honorable member. I would point out that the Tariff Commission which reported to the Victorian Parliament in 1894 adopted exactly the same course that has been followed in this case. The Victorian Commission were asked to inquire into the effect of the Tariff upon local industries, and they made fifty or sixty recommendations, in each case mentioning the rate of duty that they considered should be imposed. The honorable member contended that there was no precedent in this Parliament for the action of the Commission. There could not very well be a precedent for their action, for the reason that this is the first occasion upon which a Commission has been called upon to report to this Parliament on the subject of the Tariff. Of what use would be a Commission if it could not give us the benefit of its conclusions in a specific form? The report before us cannot be regarded as being framed in the interests of any particular party. The Commission comprises members sitting on both sides of the Chamber, who have presented a unanimous report with regard to the question before us. I think that the Commission would have failed in their duty if, after having taken such a large amount of evidence, and having worked so hard for many months, they had not made a definite recommendation. We are not bound to carry out their suggestions, and, as a matter of fact, the Government have not accepted them without modification. We have every reason to be thankful to the Commission for having expressed themselves so definitely upon the important question now under discussion, and I hope that the honorable member for Wide Bay will recognize that his contention is not borne out by the practice followed in other Parliaments.

Mr. FRAZER (Kalgoorlie) [8.0].—I am certainly unable to follow the reasoning of the honorable member for Wide Bay, who no doubt had devoted a great deal of consideration to this question prior to presenting his views to the Committee. To my mind, the only object of appointing a Royal Commission to investigate any matter is that it may be in the position—after ex-

haustive inquiry—to advise the responsible Ministers of the day as to the path which they ought to pursue. I listened with very great interest to the exceedingly thoughtful addresses which were delivered last evening by the honorable and learned member for Bendigo, and by other members of the Tariff Commission, and I am of opinion that the recommendations of that body are deserving of every consideration at our hands. If there were any point at all in the objection which has been urged by the honorable member for Wide Bay against the recommendation of specific rates of duty by the Tariff Commission, it could only apply if the Ministry sought to give effect to their recommendations. But, as a matter of fact, the Government have submitted different proposals, and, personally, I am not disposed to agree with the alterations which they suggest. They propose to increase the duty upon imported spirits from 14s. to 15s. per gallon, but they have not given us any proof that their proposal is a proper one under the circumstances.

Mr. DEAKIN.—We have given the best proof that is available. No better could be obtained.

Mr. FRAZER.—That proof has not convinced me that the Government proposal ought to be accepted.

Mr. DEAKIN.—We have had no experience of the operation of a higher duty since the Commonwealth was established.

Mr. FRAZER.—Exactly. I quite understand that the Government must experience a difficulty in accurately estimating the consequences which would flow from accepting the recommendations of the Tariff Commission. I hold that a duty of 14s. per gallon is quite as high an impost as we ought to levy upon spirits.

Mr. BRUCE SMITH.—The experience of Victoria shows that a duty of 12s. per gallon produced more revenue than was collected under a duty of 15s. per gallon.

Mr. FRAZER.—I do not think that the question of revenue is the only one, as I think it is very desirable to extend consideration to our home industries, and I hold that Australia should be able to produce spirits which are equal — if not superior—to the imported article. But, in my judgment, a case has not been established for departing from the scientific recommendations made by the Tariff Commission after an exhaustive study of this question. Therefore, I intend to vote for the retention of the existing

duty. The only question upon which I shall probably disagree with the recommendations of the Tariff Commission has reference to the duty which should be levied upon blended brandy.

Mr. JOHNSON (Lang) [8.6].—I desire to say a few words in reply to a statement which was made by the Prime Minister this afternoon. I gathered from his remarks that he does not attach very much importance to the fact that when an increased duty upon spirits was imposed in Victoria, the revenue from this source declined very considerably. I need scarcely point out that there are others who attach a good deal of importance to that significant fact, and who also urge that the effect of the high duty was to lower the quality of locally-produced spirits to the detriment of the health of the community as well as to cause a serious diminution of revenue.

Mr. DEAKIN. — The honorable member must recollect that upon the occasion to which he refers the increase represented an advance of 25 per cent. upon the previous rate of duty. Our proposal represents an advance of only 7 per cent.

Mr. JOHNSON.—But I think it may be accepted as an axiom of political economy that, speaking generally, the effect of raising duties is to lower the amount of revenue derived from them. In 1892, at the instance of the right honorable member for Balaclava, who was then Treasurer of Victoria, the Customs duty upon spirits was increased from 12s. to 15s. per gallon. What was the result? In 1901-2 the revenue from this source was £806,622, but the following year it fell to £472,805—a decline of £333,817. The right honorable member for Balaclava, in explaining the loss, said—

The depression accounted for some falling off of Victorian revenue, but the real reason was the existence of a low quality spirit which took the place of the imported.

Then the Tariff Commission recommended a reduction of the duty to 13s. per gallon. It confirmed the view which was held by the Treasurer as to the causes which had contributed to that very serious decline in the revenue. In its report, it stated—

We regret to say that we regard the fact to be proved that a very inferior quality of spirit is vended, and that this state of things has been fostered by the high duties.

In connexion with the lowering of the quality of the liquor supplied to the public, I may mention that after the raising of the duties, prosecutions for breaches

of the law under this head increased to double their former number. The fines for such offences rose in one year from £3,000 to £6,000. In view of these facts, I think we have every reason to apprehend that similar results will flow from any increase in the rate of duty at present operating.

Question—That the words proposed to be added be so added—put. The Committee divided.

Ayes	34
Noes	18

Majority	16
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AYES.

Bamford, F. W.
Bonython, Sir J. B.
Brown, T.
Cameron, D. N.
Cook, Joseph
Edwards, R.
Fowler, J. M.
Frazer, C. E.
Fysh, Sir P. O.
Glynn, P. McM.
Higgins, H. B.
Hughes, W. M.
Kelly, W. H.
Kennedy, T.
Knox, W.
Liddell, F.
Mahon, H.
McCay, J. W.

McColl, J. H.
Phillips, P.
Poynton, A.
Quick, Sir J.
Robinson, A.
Skene, T.
Smith, Bruce
Smith, Sydney
Thomson, Dugald
Thomson, David
Turner, Sir G.
Webster, W.
Willis, Henry
Wilson, J. G.

Tellers:

Conroy, A. H. B.
Johnson, W. E.

NOES.

Carpenter, W. H.
Chapman, Austin
Cook, Hume.
Deakin, A.
Forrest, Sir J.
Groom, L. E.
Hutchison, J.
Isaacs, I. A.
Mauger, S.
O'Malley, King

Salmon, C. C.
Spence, W. G.
Storrer, D.
Tudor, F. G.
Watson, J. C.
Wilkinson, J.

Tellers:

Culpin, M.
Ronald, J. B.

PAIRS.

Wilks, W. H.
Reid, G. H.
Edwards, G. B.
Lonsdale, E.
Lee, H. W.
Fuller, G. W.
McLean, A.
Gibb, J.
Thomas, J.
McWilliams, W. J.

Ewing, T. T.
Chanter, J. M.
Kingston, C. C.
Lyne, Sir W. J.
Harper, R.
Fisher, A.
Maloney, W. R. N.
Crouch, R. A.
Watkins, D.
Batchelor, E. L.

Question so resolved in the affirmative.

Amendment agreed to.

Mr. WATSON (Bland) [8.18].—I should like to know what the Government intend to do with regard to the insertion of a proviso in paragraph b.

Mr. DEAKIN (Ballarat—Minister of External Affairs) [8.19].—The proviso as to the maturing of spirit will be unnecessary, as I propose to introduce in the Bill a special clause dealing with that matter.

Mr. CONROY (Werriwa) [8.20].—I would point out to the honorable member for Bland and others that it would be on every ground advisable that the proviso in question should be inserted in this paragraph.

Mr. DEAKIN.—The honorable member for Bland is not pressing his proposal.

Mr. CONROY. — It would be much better to insert it in this paragraph than in the Bill itself.

Sir JOHN QUICK (Bendigo) [8.21].—I would suggest to the Minister that it is necessary to amend paragraph *b* in the same way as paragraph *a* has been amended, by providing that the duty on and after 16th August shall be 14s. per gallon, instead of 15s. per gallon. The same words will apply.

Mr. DEAKIN.—That is so.

Amendment (by Sir JOHN QUICK) agreed to—

That after the amount "15s." line 19, the following words be inserted:—"and on and after 16th August, 1906, 14s."

Mr. DEAKIN (Ballarat—Minister of External Affairs) [8.23].—I move—

That the following new paragraph be inserted after paragraph *b*, line 19:—"(*c*) Spirits, n.e.i., per proof gallon 40s., on and after 16th August, 1906."

This amendment is designed to bring the import duty into line with the Excise duty.

Mr. JOSEPH COOK (Parramatta) [8.24].—I should like at this point to ask why this exceedingly high rate of duty is proposed?

Mr. DEAKIN.—It is intended to practically prohibit all spirits other than those enumerated.

Mr. JOSEPH COOK.—If that be the intention, why do we not distinctly prohibit them?

Sir JOHN QUICK.—The provision can afterwards be embodied in the Distillation Act.

Mr. ROBINSON (Wannon) [8.25].—Some of the spirit now in bond has undoubtedly been held for more than two years, but I would point out that possibly certificates to that effect could not be at once produced.

Mr. DEAKIN.—That point will be covered by the Bill.

Mr. BRUCE SMITH (Parkes) [8.26].—I should like to know whether the item on which the Committee is now engaged is one on which the Tariff Commission was unanimous?

Sir JOHN QUICK.—It is.

Mr. DUGALD THOMSON (North Sydney) [8.27].—I do not know whether the Ministry have satisfied themselves that this exceedingly high duty will not interfere with the introduction of spirits for perfectly legitimate purposes. I would ask the Prime Minister to give the Committee an assurance that he is satisfied from inquiries by his officers that, as the result of this duty, there will be no unnecessary interference with spirits that ought to be admitted. But for the fact that the proposal has suddenly been made, I should have made independent inquiries with respect to its probable effect.

Mr. DEAKIN (Ballarat—Minister of External Affairs) [8.28].—This proposal is rendered necessary, not by anything contained in our original proposition, or known to the officers of the Department, but owing to the introduction in paragraph *a* of the limitation as to spirits being matured for two years. That provision might let in spirits that are not two years old, or leave them unprovided for. The question will be dealt with satisfactorily in the Bill, but at present the amendment might permit the clearing of spirits that do not exceed a certain proof strength, and have not been stored for two years. It is necessary to protect the Department for the time being.

Mr. CONROY.—The intention of the Government in proposing this amendment is not very clear to me.

Mr. DEAKIN.—We have inserted an amendment in paragraph *a*.

Mr. MCCAY.—Over-proof spirits will bear a duty of 15s. per gallon.

Mr. DEAKIN.—That is so, but there are certain spirits which do not comply with the requirements of paragraph *a* as amended. This amendment is designed to protect ourselves until we deal with the matter in the Bill itself.

Mr. CONROY.—The Government desire to prevent any spirit which is over-proof being taken out of bond.

Mr. DEAKIN.—No; our desire is to prevent the free introduction of spirit which does not comply with these provisions.

Mr. CONROY (Werriwa) [8.30].—I invite honorable members to consider what will be the effect of this amendment on the importation of absolutely rectified spirit which may be required for medicinal purposes, although it cannot be shown that it has been held in bond for two

years. Rectified spirits are being imported.

Mr. McCAY.—They are over-proof.

Mr. CONROY.—I will take them at 30 per cent. over-proof. It appears to me that, under the resolution, if a certificate cannot be produced in regard to such spirits, their importation will be prohibited. Does not the Minister think so?

Mr. DEAKIN.—No. We are dealing now with import duties, but the honorable member will see a similar provision in paragraph 9 of the Excise duties.

Mr. CONROY.—What comes under the definition of spirits, *n.e.i.*?

Mr. ISAACS.—All spirits which do not come within the meaning of paragraphs *a* and *b*.

Mr. DEAKIN.—Practically all the spirit imported comes under those paragraphs.

Mr. JOSEPH COOK.—This is only a provision to meet contingencies.

Mr. WATSON (Bland) [8.32].—I understood the Prime Minister to say that provision would be made in the Bill for the admission of rectified spirits for industrial and manufacturing purposes.

Mr. DEAKIN.—There will be such provision.

Mr. WATSON.—Just as there is provision made under the Excise proposals for the placing on the market of locally-made spirits for purposes other than human consumption.

Mr. BRUCE SMITH.—What will prevent persons from drinking such spirit?

Mr. WATSON.—It will be for the officers of the Customs Department to see that the spirit is used for the purposes for which it is allowed to be imported, or produced locally. So far as my knowledge goes, very little rectified spirit is made in the Commonwealth for industrial purposes, with the exception of sugar spirit, which is not so suitable for certain uses as is other spirit, such as potato spirit. Although I should like to see a much heavier duty imposed upon such spirit than on spirit imported for drinking purposes, I do not think that its importation should be prohibited by the imposition of a duty of 40s. I suggest to the Government that they make provision to meet this case.

Mr. DUGALD THOMSON (North Sydney) [8.34].—There seems to be no provision for the importation of methylated spirits.

Sir JOHN QUICK.—The provision in the original Tariff remains un repealed.

Mr. DUGALD THOMSON. — What about the importation of spirit for fortifying Australian wine?

Mr. DEAKIN.—I do not think that spirit is imported for fortifying Australian wine, because our vigneronns get local spirit free of duty.

Mr. DUGALD THOMSON.—Does not the Minister propose to give them the same opportunity for getting imported spirits?

Mr. DEAKIN.—No; that is not necessary.

Mr. DUGALD THOMSON.—Methylated spirits will continue to be imported at the present rate?

Mr. DEAKIN.—Yes.

Sir JOHN QUICK (Bendigo) [8.35].—The motion in regard to import duties on spirits is in substitution of only paragraphs *a* and *b* of item 2 of division 1 of the schedule to the Customs Tariff Act. The other paragraphs, numbered *c* to *k*, remain unimpaired. They relate to the duty on amylic alcohol and fusel oil, collodion, methylated spirit, and perfumed and bay rum, and to bitters, essences, fluid extracts, sarsaparilla, ginger wine, tinctures, medicines, infusions, and toilet preparations of different strengths.

Amendment agreed to.

Mr. DEAKIN (Ballarat—Minister of External Affairs) [8.36].—The Committee having altered the import duties from 15s. to 14s., it will be necessary, to maintain the ratio between Excise and import duties recommended by the Tariff Commission, to reduce the proposed Excise duties by 1s., and the Government are prepared to do so in regard to all the classes of spirits named in the schedule, with the exception of blended brandy, the rate on which we are advised should remain at 12s. The Chairman of the Tariff Commission, speaking last night in regard to the Excise duties, said—

These matters of detail are fairly open to consideration. They are matters upon which even members of the Commission have no very pronounced views. Whether distillation should be at an alcoholic strength of 35 per cent. or 45 per cent. overproof is not a vital question, but it is vital that unless these spirits are distilled at a certain defined strength overproof they shall not receive the preference and advantages which we have recommended.

Our officers suggest that brandy and blended brandy should be distilled at a strength not exceeding 40 per cent., instead of 35 per cent., as set down in the schedule, and that whisky, blended whisky, and rum should be distilled at a strength of 45 per cent., instead of at the respective

strengths of 35, 25, and 35 set down in the schedule. These are technical alterations which their experience of the trade leads them to recommend. In paragraph 4 we propose to substitute for the words "other materials" the word "grain," so that it shall read, "Blended whisky distilled partly from barley malt and partly from grain."

Mr. JOSEPH COOK.—Does the honorable and learned gentleman intend to make that alteration in regard to blended whisky only?

Mr. DEAKIN.—I understand that in regard to blended brandy it is to be proposed that it shall be distilled partly from grape wine and partly from "other approved materials."

Mr. GLYNN. — That would leave the matter at the discretion of the Executive.

Mr. DEAKIN.—Our officers have made no recommendations in regard to blended brandy. We propose to retain the duty on blended brandy at 12s., in order to increase the difference between the duty on brandy distilled wholly from grape wine and the duty on blended brandy.

Mr. WATSON.—Do the Government intend to propose a similar arrangement in regard to whisky?

Mr. DEAKIN.—I am not advised that it is necessary. Brandy distilled wholly from grape wine will then have a protection of 4s., that being the difference between the import and Excise duties, while blended brandy will have a protection of only 2s. Whisky distilled wholly from barley malt will have a protection of 4s., and blended whisky a protection of 3s.

Mr. GLYNN.—What will be the duty on molasses spirit?

Mr. DEAKIN.—If it is spirit for industrial or scientific purposes the duty will be 13s.

Mr. GLYNN. — But molasses spirit may come under the duty provided in paragraph 2.

Mr. HUTCHISON.—I propose to exclude it.

Mr. GLYNN (Angas) [8.43].—I think that the Government will do well to increase the alcoholic strength of the spirits mentioned in paragraphs 1 to 5. I wish to know what the position of molasses spirit will be. To substitute "approved materials" for "other materials" in regard to blends will not do what is necessary, and even if it is provided, as I believe is intended, that "other materials"

shall not include molasses, we should know under what heading molasses will come.

Mr. WATSON.—It will pay duty as rum.

Mr. GLYNN.—Some of the spirit made from molasses will pay duty as rum, but molasses spirit is used for other purposes as well. I wish to make sure that the differentiation in regard to molasses spirit shall not be as low as 1s.; it should be at least 2s. If molasses spirit has to pay a duty of 13s. as spirit, n.e.i., matured by storage in wood, the difference will be only 1s.

Mr. WATSON. — That is sufficient for molasses spirit, which can be produced very cheaply.

Mr. GLYNN. — But the difference in favour of grape spirit will be only 1s.

Mr. WATSON.—No; it will be 3s., the Excise duty on grape wine spirit being 10s., and the import duty 14s.

Mr. GLYNN.—Well, I should like to know, if molasses spirit is excluded from paragraph 2, under what heading it will come? The question is between the Excise rates on the two blends.

Sir JOHN QUICK.—The Government do not propose to exclude molasses spirit from paragraph 2.

Mr. GLYNN.—But that is to be proposed.

Mr. DEAKIN. — At present molasses spirit would be covered by paragraphs 7 and 8, but I shall be quite prepared to consider the provision in regard to that kind of spirit when we have disposed of the items now under discussion.

Mr. SKENE (Grampians) [8.46].—I desire that some more definite distinction should be made between pure grape brandy and blended brandy.

Mr. DEAKIN (Ballarat—Minister of External Affairs) [8.47].—I would point out to the honorable member that in the Bill which has already been drafted to give effect to the recommendations of the Tariff Commission, special provision is made that the spirit referred to in paragraph 1 shall be called standard brandy, and shall be so labelled, and that blended brandy shall be so described. The two classes of spirit will be separate and distinct, and will have distinguishing official labels.

Mr. SKENE.—I wish to have a broader distinction even than that provided for.

Amendment (by Mr. GLYNN) agreed to—

That the figures "35," paragraph 1, line 38, be left out, with a view to insert in lieu thereof the figures "40."

Amendment (by Mr. DEAKIN) proposed—

That after the figures "11s." paragraph 1, line 43, the following words be inserted: "and on and after 16th August, 1906, 10s."

Mr. KENNEDY (Moir) [8.48].—The amendment raises the whole question as to how far the recommendations of the Tariff Commission shall be adopted. I understand that the Prime Minister proposes at a later stage to depart from the differentiation made by the Commission between brandy distilled wholly from grape wine and blended brandy. The Commission recommend that there shall be a difference of 1s. in the amount of duty levied upon the respective spirits. The Government now propose, and I think they are right, to differentiate between the two classes of spirit to the extent of 2s. per gallon. The members of the Commission state that a differentiation of 2s. between these two spirits will not be sufficient to re-establish the manufacture of pure brandy in Australia. That is the reason why I stated earlier in the evening that I proposed to move that brandy distilled wholly from grape wine should be subject to an Excise duty of only 9s.

Mr. DEAKIN.—That would involve the sacrifice of more revenue.

Mr. KENNEDY.—I stated that my proposal was intended to give greater encouragement to an industry that is natural to our conditions.

Mr. JOSEPH COOK.—That would be equivalent to 5s. per gallon protection.

Mr. KENNEDY.—According to my experience, a difference of 4s. between the import and the Excise duty would afford ample protection to the pure grape spirit, but I do not think that 2s. difference would be sufficient to assist the grape spirit as against the blended spirit.

Mr. DEAKIN.—There is a difference of 2s. between the pure grape brandy and the blended spirit, and also a difference of 2s. between the proposed duty upon blended brandy and imported spirits.

Mr. KENNEDY.—The Commission proposed—and I think they should insist upon their recommendation—that the blended brandy should be subject to an Excise duty of 11s., and that is why I take this opportunity of bringing the case from my point of view before the Committee. There would be no difficulty, so far as I am concerned, in accepting a differentiation of 4s. as between the import duty and the Excise duty on pure grape spirit. But a difficulty

will occur if the blended spirit is brought within 1s. of the pure grape spirit.

Mr. DEAKIN.—The Government purpose to differentiate between the two classes of spirit to the extent of 2s. per gallon.

Mr. KENNEDY.—But we know what became of the last Government proposal, and I want to safeguard the position so far as it relates to pure grape spirit.

Sir JOHN QUICK (Bendigo) [8.55].—I quite agree with the amendments suggested by the Prime Minister upon matters of detail which involve no serious or vital principle. But I am sorry that the honorable gentleman wishes to reduce the amount of protection proposed to be granted to blended brandy. The Commission unanimously recommended that the preferential advantage given to manufacturers of that class of spirit should be 3s. per gallon, and now the Prime Minister proposes to reduce the preference to 2s. per gallon.

Mr. DEAKIN.—The manufacturers previously had a preference of only 1s. per gallon.

Sir JOHN QUICK.—I am quite aware of that. The Prime Minister now proposes to give effect to what was suggested by the Minister of Trade and Customs last night. I cannot say that the Prime Minister is responsible.

Mr. DEAKIN.—I am responsible.

Sir JOHN QUICK.—The Minister of Trade and Customs last night gave away the whole position, and prejudiced the case against blended spirits by imparting an adverse tone to the criticism directed to that class of product.

Mr. DEAKIN.—The officials have advised us that the course we propose to take is the proper one.

Sir JOHN QUICK.—I do not believe in government by officials. This is a matter which should be decided by responsible Ministers. I do not know that the officials are competent to advise Ministers upon fiscal questions. They may furnish estimates of revenue and so on, but it is not their duty to advise Ministers upon questions of fiscal principle. I protest against the proposed alteration, which would impair the unity and consistency of the scheme recommended by the Commission. That body includes free-traders and protectionists, and now a so-called protectionist Ministry intends to give away the protectionist recommendation of the Commission.

Mr. JOSEPH COOK. (Parramatta) [8.57].—I have listened with very great attention to the Chairman of the Commission, from whom I should like to hear some arguments in favour of the recommendations of the Commission.

Sir JOHN QUICK.—The honorable member will find them in the report.

Mr. JOSEPH COOK.—Yes; but some very strong reasons can be urged in favour of a greater differentiation than 1s. per gallon between pure grape spirit and the blended article. I take it that we are all anxious to encourage the drinking of Australian wines in preference to more ardent spirits. I should be willing to do this at any time, and should think I was promoting the greater temperance and morality of the people as a whole. I think it would be an excellent thing if we could substitute light Australian wine for the ardent spirits now consumed by the people, and I should regard any movement in that direction as of a distinctly temperance character. I should like to make a quotation from a statement contained in a letter written by Penfold and Company, of South Australia.

Mr. BRUCE SMITH.—I suppose that a representative of the firm gave evidence before the Commission?

Sir JOHN QUICK.—Yes.

Mr. JOSEPH COOK.—Here is the case which Messrs. Penfold and Company put. They point out that it takes five gallons of sound wine to make one gallon of grape brandy.

Mr. BRUCE SMITH.—Did they not make those representations to the Commission?

Mr. JOSEPH COOK.—I do not know whether they did or not. They put a case which seems to me to require an answer. They say that the cost from the still is at least 4s. per gallon. They further say—

The cost of molasses spirit is at present about 10d. a gallon. Thus four gallons of pure grape brandy would cost 16s. to produce, whilst three gallons of molasses spirit and one gallon of grape brandy would cost 6s. 6d. The difference in Excise on the four gallons is only 4s. in favour of true brandy, leaving a margin of 5s. 6d. on the adulterated article, which means 1s. 4½d. a gallon.

Mr. McCAY.—Will they not obtain a higher price for the pure article?

Mr. JOSEPH COOK.—I am afraid not. I do not think that the prices as between these articles will be differentiated at all. If we are to make any movement, I think it should be in the direction of

encouraging the production of pure grape brandy in preference to that of the more ardent and fiery spirit.

Mr. DEAKIN.—Of which only 25 per cent. need consist of grape spirit.

Mr. JOSEPH COOK.—Exactly. I have already pointed out that there is a differentiation in favour of the blended article as against the pure article of 1s. 4½d. per gallon, or 5s. 6d. upon a four-gallon cask. That is a case which ought to be susceptible of answer by the members of the Commission. I am aware that it is contended that the pure brandy will have a label attached to it which will give it a commercial advantage as against the blended article; but I doubt whether any label which can be attached to the pure article will command a sufficient price to compensate for the difference to which I have referred. So far as I am concerned that is about the only point connected with the recommendations of the Tariff Commission in regard to the spirit duties which seems to be open to criticism. But I cannot shut my eyes to this great difference in favour of the inferior, or adulterated or blended article.

Sir JOHN QUICK.—The honorable member cannot call it an "adulterated" article.

Mr. JOSEPH COOK.—The pure grape spirit is adulterated by the addition of something which is not pure.

Mr. McCAY.—The honorable member might as well say that a piece of bread is adulterated because it has butter upon it.

Mr. JOSEPH COOK.—Not at all. I speak of adulteration only in the sense that the blended article differs from, and is not so good as, the pure grape brandy. I believe that the best medical evidence is to the effect that there is no spirit which is as good as the pure grape brandy spirit.

Mr. PAGE.—But according to his bread and butter argument, the honorable and learned member for Corinella considers that molasses spirit is as good as grape spirit.

Mr. JOSEPH COOK.—I am not an adept in these matters, but I am very anxious to extend a preference—if we must offer any preferences at all—to pure grape brandy as against the more ardent and fiery spirit. I would extend it a preference in the interests of the morality of the people, and of the greater diffusion of temperance, and for the purpose of in-

sureing fair play between the distillers of these various compounds. I shall be bound to support the Government proposal unless the members of the Tariff Commission can answer the case which I have put, and which seems to me to extend a preference to the adulterated article as against pure grape brandy.

Mr. WATSON (Bland) [9.5].—I would have preferred that the debate upon this question should have been postponed until the particular item was reached. But even in the light of the remarks of the honorable and learned member for Bendigo I cannot understand why it is proposed to extend so great a preference to the production of blended brandy as against that of pure grape brandy. It seems to me that in view of the comparatively low price at which the former article can be placed upon the market it is ridiculous to suggest such high preferential treatment in connexion with our Excise duties. Hitherto blended brandy has enjoyed a preference of 1s. per gallon, as against pure grape brandy, but under the recommendations of the Commission that preference will be trebled. I do not see the necessity for that. Rum or sugar spirit is one of the cheapest spirits which can be produced in Australia. It is so cheap that the Tariff Commission itself has recommended that the Excise should be withdrawn from methylated spirit. It points to the immense quantity of molasses which are going to waste in Australia, and which can be converted into spirit with sufficient economy to allow it to compete against the use of petrol for industrial purposes. I quite agree with that suggestion. To my mind, it is rather a reflection upon our intelligence that we did not foresee the possibilities of its use in that direction five years ago.

Mr. GLYNN.—They were only recognised in America on the 25th May last.

Mr. WATSON.—Then there is some excuse for our inaction. I think that everybody will agree that the suggestion of the Tariff Commission in this particular connexion is a very wise one indeed. But the very fact that that body points to molasses being used for methylating purposes indicates that for the purpose of blending with grape wine spirit the spirit could be produced equally cheaply. Consequently it does not require the amount of protection that it is proposed to extend to it. I do not for a moment suggest that molasses spirit is not

wholesome, but I do contend that it is not right to give to it a greater measure of protection than the circumstances of the case demand, or to allow it to be sold as "blended brandy" in the local market. To my mind, the term is a misnomer. It should be called blended rum, instead of blended brandy.

Mr. DUGALD THOMSON.—What is the good of providing for 25 per cent. of pure grape spirit in any article?

Mr. WATSON.—I cannot say. The presence of that quantity of pure grape spirit in an article may have the effect of imparting a certain flavour to it.

Sir JOHN QUICK.—It may be its foundation.

Mr. WATSON.—It may be a foundation, but it is rather too flimsy a foundation upon which to erect a superstructure which is worth anything. I think that the proposal of the Government has much to commend it to the common sense of honorable members. To extend to this class of spirit twice as much protection as it previously enjoyed is fairly liberal treatment, and I am prepared to go so far. But if we allow the Excise upon this so-called blended brandy to approach within 1s. per gallon of that which is levied upon pure grape brandy the distillers of the latter article will be placed at a great disadvantage in fighting the former upon the Australian market. In other words, we shall discourage the use of grape spirit, and I do not know whether honorable members can contemplate that state of affairs with equanimity. I admit that the honorable member for Moira has suggested that to overcome the difficulty we might reduce the Excise upon pure grape brandy, so as to allow it a preference of 5s. per gallon as against the imported article. But I am of opinion that by levying these comparatively low Excise duties, and by retaining the import duty at 14s. per gallon, we shall commit ourselves to a sufficiently heavy loss of revenue.

Mr. PAGE.—How does the loss of revenue come in?

Mr. WATSON.—The loss will be consequent upon the larger consumption of spirits which are locally produced, and upon which a lower rate of duty will be collected. I intend to support the Government proposal.

Mr. BRUCE SMITH (Parkes) [9.13].—I have always heard it stated that this Parliament enjoys the reputation of being the most sober, ^{giltz} deliberative body in

Australia. But I will undertake to say that no body of men could display the same knowledge of the chemistry, flavour, and uses of liquor that has been exhibited by honorable members during the course of this debate. I do not, unfortunately, share that knowledge myself, and therefore I should like to know more clearly exactly where honorable members are. I am one of those who are anxious to stand up for the recommendations of the Commission, so long as I am satisfied that they have been unanimously arrived at. I understand, however, that upon this particular point there was not unanimity on the part of its members.

Mr. FOWLER.—We were not so enthusiastic upon it.

Sir JOHN QUICK.—We all signed the recommendation.

Mr. BRUCE SMITH.—I was anxious to know whether the members of the Commission were unanimous upon this question. In my judgment it is unreasonable for this Committee to set itself up as a tribunal equally competent to the Commission which investigated this difficult subject. We have had a very good instance of that afforded us by the honorable member for Parramatta, who offered as a reason for the view which he entertains upon this question the fact that a certain firm had made a particular statement in a letter to him. We have only to consider his position for a moment to realize that he is on very unsafe ground in this connexion. Need I remind him that the Tariff Commission have had scores of men like Mr. Penfold before them upon oath? No useful purpose can be served by any honorable member declaring that a particular witness has said so and so; because it is quite possible that the statement which he makes in written communications with an honorable member is entirely different from that which he made upon oath before the Commission, and when he was subjected to cross-examination.

Mr. JOSEPH COOK.—The statement is the same in each case.

Mr. BRUCE SMITH.—I did not know that it was. I hope that the honorable member will bear with me; I am speaking only of the practice.

Mr. JOSEPH COOK.—The Prime Minister checked the statement as I read it.

Mr. BRUCE SMITH.—I am not speaking particularly of the case mentioned by the honorable member. If in an action at

law ten witnesses had been heard on each side, it would be unreasonable to urge that the verdict of the jury should be upset because it appeared to be contrary to something said by one witness. That is an illustration of the position in which we find ourselves. The Commission examined and cross-examined some scores of witnesses on oath; and if I have read the evidence aright many of those witnesses broke down under cross-examination. They are now flooding the House with circulars which possibly—I do not say probably—differ entirely from the evidence they gave before the Commission. Only yesterday Messrs. Joshua Brothers issued to honorable members circulars in which they made certain statements protesting against the findings of the Commission. Side by side with the distribution of those circulars we had a letter produced by the chairman of the Commission, in which the same firm complimented him upon the findings of that body, and said that they were perfectly satisfied with them, or words to that effect.

Sir JOHN QUICK.—They also said that their first circulars were founded on a misapprehension.

Mr. BRUCE SMITH.—Quite so. I am not in any way interested in this matter. I am not a heavy drinker, nor have I that fine sense of flavours which some honorable members seem to possess. We are proceeding, however, on an entirely wrong basis. We are in the position of one of the parties to a law suit, who appeals to a Judge to upset the verdict of a jury on the ground that it is not in keeping with the evidence given by himself. We ought not now to take notice of unsworn statements of any witness examined by the Commission.

Mr. JOSEPH COOK.—Who said that we ought to do so?

Mr. BRUCE SMITH.—The honorable member himself urged us to do so.

Mr. JOSEPH COOK.—I did not.

Mr. BRUCE SMITH.—The honorable member, if he will allow me to say so, afforded me an illustration by falling into the error of selecting a circular sent out by one solitary witness—a circular containing statements which may or may not agree with his evidence. Even if it did agree with his evidence-in-chief, it might not agree with that drawn from him under cross-examination.

Mr. KELLY.—But he substantially agreed with the findings of the Commission.

Mr. BRUCE SMITH.—Then I fail to understand why the honorable member for Parramatta should have quoted the circular in support of a proposal to disagree with the recommendation of the Commission.

Mr. JOSEPH COOK.—The honorable and learned member is twisting out of recognition the statement that I made. It is not fair for him to do so.

Mr. BRUCE SMITH.—I notice that honorable members on this side of the House are most anxious to listen to me when I adopt their own views with respect to any question, but that as soon as I begin to express views slightly out of harmony with their own they interrupt me more frequently than do honorable members opposite.

Mr. JOSEPH COOK.—We interrupt the honorable and learned member when he is talking ridiculously.

Mr. BRUCE SMITH.—The honorable member is forgetting himself; I merely say that he is wrong in his method.

Mr. JOSEPH COOK.—I say that I am not.

Mr. BRUCE SMITH.—The honorable member is at liberty to say so, but I repeat that he is wrong in his method.

Mr. JOSEPH COOK.—I say that I am not.

Mr. BRUCE SMITH.—I presume, Mr. Chairman, that the honorable member is not justified in contradicting me each time I make the statement that he is wrong in his method. I shall repeat my assertion, and show what ground I have for making it. I hope that the honorable member will see this time that he is in error.

Mr. JOSEPH COOK.—I can see very clearly that the honorable and learned member is making an ass of himself.

The CHAIRMAN.—I am sure that the honorable member will withdraw that remark.

Mr. JOSEPH COOK.—Most decidedly, sir.

Mr. BRUCE SMITH.—We expect a little more than the usual courtesy to be shown by a leader, especially when he is addressing a member of his own party. If honorable members of the Opposition are not to have freedom of expression, I for one should have to draw off from the party a little more than I have been doing.

Mr. JOSEPH COOK.—That would be a great loss.

Mr. BRUCE SMITH.—I am not going to be diverted from the point that I wish to make. Every honorable member ought

to remember that a vast number of witnesses on both sides have been examined and cross-examined by eight men representing the two fiscal parties. I presume that the Commission heard the evidence of these witnesses dispassionately, and arrived at their findings apart from party feeling. No honorable member is logically justified in coming to a conclusion different from that of the Commission merely on the evidence of one witness, unless he is also prepared to review the whole of the evidence which led the Commission to arrive at their conclusion. I wish to know a little more about this matter, and should like the chairman of the Commission in the first place to give us the reasons which he considers would justify us in again vindicating its action. I am sorry to again call upon him to speak; I regret that after the able way in which he has discharged his duties as a member of the Commission, he should be called upon so frequently in this Committee to vindicate the judgment expressed by that body. The Government have come forward with a proposal different from that recommended by the Commission, and the only statement which they make in justification of it is that, "The officers say this," or "The officers say that." I have the greatest respect for officers in the abstract, but I am bound to say that a good many things done by some of them in the Customs Department of the Commonwealth have very much shaken my confidence in them. That being so, I think that the Minister should fortify himself with the reasons which the officers have in mind in making these recommendations. It is scarcely sufficient for him to say that the officers of the Department advise that this or that be done. If it were, we should be governed by officers. I should like the officer in question, through the Minister, to tell us why he thinks that we should depart from the conclusion arrived at by the Commission after examining all the witnesses and subjecting them to the test of criticism usually applied by such a body. The Prime Minister has taken up the part of the Minister of Trade and Customs, and has not given us his reasons for departing from the recommendation of the Commission. Since the recommendation is one upon which the Commission were unanimous, I think we are entitled to have those reasons stated. That having been done, I shall ask the Chairman of the Commission to give those

of us who are anxious to uphold the Commission the reasons which he thinks would justify us in helping him once more in this Committee to vindicate its action.

Mr. BATCHELOR (Boothby) [9.25].—The honorable and learned member for Parkes has described the Commission as a jury, and has declared that its findings, based on the evidence which it has heard, ought to be accepted as final by the Committee. I would point out, however, that the Commission was not appointed to prepare a Tariff; it was appointed to take evidence, to report, and to make certain recommendations which would be considered, and, if thought fit, adopted by the Committee. The fact that it has made certain recommendations should not be sufficient to induce the Committee to abrogate their functions as a jury. We are responsible to our constituents and the country, and we must discharge those functions by examining the evidence. If we think that the Commission has made a mistake, it will be our duty not to adopt its recommendations, but to act according to the best knowledge that we possess.

Mr. ISAACS.—Suppose that they do not agree?

Mr. BATCHELOR.—The fact that the members of the Commission are unanimous lends additional weight to their recommendation, but it does not remove from us the necessity of deciding for ourselves whether that recommendation unanimously arrived at is a wise one. The Tariff Commission has undoubtedly carried out a monumental work, and I feel under a debt of obligation to it.

Mr. DEAKIN.—Hear, hear.

Mr. BATCHELOR.—At the same time, they cannot call upon us—nor do I think they ask us—to refrain from exercising our own individual judgment on the facts which they have elicited. I certainly think that they have not recommended the best course to be pursued in regard to the differentiation in favour of pure wine brandy. It is admitted that absolutely pure brandy made from wine is perfectly wholesome, and that the encouragement of its manufacture must have a beneficial effect on the primary producers of the Commonwealth. There are something like 56,000 acres under vine cultivation in South Australia, and I understand that in Victoria alone there are some 3,000 wine growers interested in this question. The number in South Australia is probably

much greater, whilst the number in Western Australia and New South Wales is largely increasing.

Mr. BRUCE SMITH.—I hope that the honorable member will not forget the consumer.

Mr. BATCHELOR.—I have just said that it must be admitted by members of the Tariff Commission, and others, that pure brandy made wholly from grape spirit is the most wholesome. It is recommended by medical men, and also, I believe, by the analytical chemist, to whom reference was made by the Chairman of the Commission. That gentleman said that he would prefer grape brandy for medicinal purposes. Since grape brandy is the purest, and the encouragement of its production will be most beneficial to the primary producers, it seems to me that we should strike a serious blow at the development of the industry if we adopted the recommendation of the Tariff Commission. The only argument that I have heard advanced against a differentiation in favour of pure grape brandy spirit is that the manufacturers will benefit by being able to place on their labels a statement to the effect that their product is pure. Will that compensate them for the direct encouragement that is to be offered to distillers to use a cheaper article, from which they can make the most money? Certainly not. The fact that a bottle is labelled "pure brandy" will have little effect upon purchasers. At the present time brandy which used to be labelled "Boomerang Australian brandy" is now labelled merely "Boomerang," but I am certain that not one out of every hundred persons who purchase that spirit has noticed the omission of the words "Australian brandy." Indeed, I know that one of the largest wine and spirit merchants here had not noticed it until his attention was specially directed to it, although he has been dealing constantly in the spirit. It is a good thing to encourage the consumption of the purest and the most wholesome brandy, and we should therefore see that the distillation of pure brandy from grape wine only is not discouraged by there being a greater profit in the distillation of a blended brandy from grape wine and other materials. It is at present to the advantage of distillers that as little grape wine spirit as possible shall be used, because spirit distilled from other materials is so much cheaper. The Chairman of the

Tariff Commission says that they will go on using 50 per cent. or more of grape wine spirit, but the temptation to make a larger profit by using other spirit will soon prove too strong to be resisted, while there is also the popular prejudice in favour of blended brandies to be reckoned with. Therefore, in view of the advantage of encouraging the consumption of the best and purest article, and in the interests of an industry which is of great importance to Australia, I hope that a greater differentiation will be made between pure and blended brandy.

Mr. BROWN (Canobolas) [9.36]. — I consider that the Tariff Commissioners have devoted a considerable amount of attention to the matters they have had in hand, and that the reports which they have submitted for our guidance are very valuable. But, while I am prepared to give due consideration to their recommendations, I am not prepared to follow them blindly. If they are not such as I can accept, or if I think that points have been overlooked, I shall require further information before supporting them. There are one or two points affecting the proposals now under discussion, in regard to which I require some elucidation. We are dealing with brandies of two descriptions, pure brandy distilled wholly from grape wine, and blended brandy distilled partly from grape wine and partly from other materials, such as molasses. In dealing with the subject, it must be borne in mind that the cost of producing spirit from grape wine is very much greater than the cost of producing spirit from molasses, which is a by-product. I agree with the honorable member for Bland that the term "brandy" was originally applied to spirit distilled from grape wine. But it has become customary to place on the market under that name spirit distilled from grape wine blended with spirit distilled from other materials, such as molasses, potatoes, and wheat. This blended brandy, being cheaper than pure brandy, has competed very seriously with it. It is thought, therefore, that in framing the Tariff a distinction should be made between brandy and blended brandy, and I hold that view. I also agree with the honorable member for Bland that only spirit distilled wholly from grape wine should be allowed to be sold as brandy, other spirit being sold as blended brandy, so that the public may not be imposed upon. The recommendation of the Commission in regard

to distinctive labels is an admirable one, so far as it goes, but, as the honorable member for Boothby has shown, purchasers do not pay much attention to labels. Behind the proposals to differentiate between the duty on brandy and the duty on blended brandy is a large producing interest. We have been told by a circular that there are something like 56,000 acres under grape vines in South Australia, and large areas are being cultivated in Victoria and New South Wales for the production of grapes. The Committee will therefore do well, in adjusting the Customs and Excise duties, to pay attention to the interests of that industry. It seems to me that if the recommendation of the Tariff Commission is accepted there will not be a sufficient margin in favour of pure brandy to encourage its production, seeing that 75 per cent. of the spirit in blended brandy is distilled from materials other than grape wine, and that there is a public demand for blended brandy. The circular to which I have referred contains the statement that a difference in duty of 2s. in favour of pure brandy will be barely sufficient to give a living wage to those employed in the growing of grapes, and that a difference of 3s. would be better. I shall support the recommendation of the Commission in regard to the labelling of spirits, because, if carried into effect, it will achieve a good end; but I feel that a larger margin than they recommend should be made in favour of pure brandy, to prevent its production from being crushed out by the competition of blended brandy.

Mr. FRAZER.—There is a good deal of protection about that suggestion.

Mr. BROWN.—I do not look upon it from that stand-point. The proposal appeals to me as being intended to accord fair treatment to the pure brandy distilling industry, and I think that we should do everything we can to encourage manufacturers to place upon the market an article of superior quality. We should remember that the amount of labour employed in the industry in connexion with which the superior article is produced is much greater than that engaged in the production of the blended brandy. I should like to hear what the members of the Commission may have to say in support of making an even greater distinction between the pure grape brandy and the blended article.

Mr. ISAACS (Indi — Attorney-General) [9.46].—There are several reasons why I

think the Committee should adopt the proposals of the Government. It is proposed to fix the Excise duty upon pure brandy—real brandy—at 10s., and to impose a duty of 12s. upon what is called blended brandy, but which consists of some product blended with real brandy, and is not a pure brandy. This proposal would tend in the direction not only of encouraging a primary industry of very great magnitude and importance to Australia, but would also promote honesty in trade, and confer a benefit upon the consumers of spirits. The Government proposal is, in accordance with the recommendation of the Commission, to impose an Excise duty of 10s. upon brandy distilled wholly from grape wine, and to levy a duty of 12s. upon what is called blended brandy, but which may contain only 25 per cent. of brandy, the remainder being spirit made from some material other than grape wine. Before these proposals were made, how did matters stand? Protection to the extent of 3s. per gallon was granted to pure brandy, and the proposal is to increase the preference to 4s. The increase will, therefore, be equivalent to a 33 per cent. advance upon the previous protection. With respect to the so-called blended brandy, it is intended to double the protection by increasing the preference from 1s. to 2s. per gallon. Therefore, the proportionate protection proposed to be given to the inferior article is very much greater than that to be extended to the pure article. I think that the Government proposal has everything to commend it. Upon this occasion I find myself in practical accord with the honorable member for Parramatta, and I hope that we shall have many other opportunities of agreeing with each other.

Mr. FOWLER (Perth) [9.50].—I have been rather amused by the remarks of some honorable members, who appear to think that, if the proposals of the Commission are adopted, the pure brandy trade of Australia will be ruined. That industry has by no means been failing, even under the present disadvantageous conditions, and I think that it must be obvious that the recommendations of the Commission would, if carried out, bring about a decided improvement. If the pure brandy trade has prospered under existing conditions, it is reasonable to suppose that it will assume still greater proportions in the future. The whole question resolves itself into whether blended brandy may be re-

garded as a legitimate article of trade. Whilst my sympathies ran in another direction, I must confess that the evidence given before the Commission compelled me to join in the recommendation placed before Parliament. There is very little doubt that blended brandy is a recognised standard article of trade, and is even asked for by people of a particular taste—a taste which may or may not be vitiated. If blended brandy is to be regarded as a legitimate article of trade, it was obviously the duty of the Commission not to attempt to impose upon the consumers of that product any greater burden by way of duty than upon the consumers of pure brandy. That was what prompted me to give in my adhesion to the recommendations of the Commission. At the same time, I recognise that, looking at the matter from the national stand-point, the pure brandy industry is entitled to the utmost consideration that we can give it. Under the circumstances, I shall vote in favour of the recommendation of the Commission; but I quite realize that other honorable members may have the fullest justification for voting otherwise.

Mr. HENRY WILLIS (Robertson) [9.54].—I am quite tired of hearing the honorable and learned member for Parkes urge that we should swallow holus-bolus the recommendations of the Tariff Commission. The Commission were appointed to take evidence and report to Parliament, and it is for us to consider the results of their inquiries. The Commission apparently recommended that the protection previously accorded to the South Australian and New South Wales pure brandy industry should be increased by 25 per cent., whilst the blended brandy industry of Victoria should have extended to it protection three times as great as that now enjoyed by it. The Government, however, propose that the increase of protection shall be doubled instead of trebled, and the members of the Commission have taken offence because honorable members have ventured to question the justice of their recommendation.

Mr. FOWLER.—Surely the members of the Commission have shown no indication of having taken offence.

Mr. HENRY WILLIS.—The honorable and learned member for Parkes has repeatedly lectured honorable members upon the necessity for swallowing the report holus-bolus, and everything he has said

has been loudly applauded by members of the Commission.

Mr. FOWLER. — The honorable member should not say that. We have not applauded everything he has said.

Mr. HENRY WILLIS.—I have heard members of the Commission interjecting, and assisting the honorable and learned member in his arguments. I cannot call to mind one case in which the report of a Royal Commission in England has been wholly adopted. None of the proposals of the Local Government Commission were adopted in their entirety, whilst the recommendations of the Royal Commission on Coinage were rejected. It is our duty to deliberate upon matters such as those now submitted to us, and I think that we should give the greatest amount of preference to those who manufacture the pure article. The letter read by the honorable member for Parramatta was very much to the point. Messrs. Penfold and Company stated in that communication that five gallons of wine would produce only one gallon of brandy, and that the cost of the spirit from the still was 4s. per gallon. Messrs. Joshua Brothers could obtain 1s. worth of pure brandy, and blend it with 75 per cent. of other spirit, costing, say, 1s. 6d., and thus gain an advantage of 1s. 6d. per gallon over the manufacturers of pure grape spirit. Under the circumstances, I prefer to support the proposal of the Government. Messrs. Joshua Brothers closed down their distillery because they could not manufacture spirit at the same low cost for which it could be produced in New South Wales and Queensland. They threw 140 men out of employment, because they found that it would be more to their advantage to import molasses spirit from New South Wales and Queensland, and no doubt they have done a good stroke of business. It must not be assumed, however, that the number of men engaged in the industry has been reduced, because an additional number have found employment in New South Wales and Queensland by reason of the closing down of Joshua Brothers' works.

Mr. SALMON (Laanecoorie) [9.59].—From the point of view of the consumer it is desirable that the Government proposals should be accepted. The consumer requires protection, and I am very glad that a number of honorable members are determined that he shall have it. We can best serve the interests of the consumer by offering to the producers of pure spirit a

decided advantage over those who produce blended spirit. The honorable member for Perth has spoken of the necessity which the distillers are under to produce a spirit which will suit certain palates. I am afraid that the palate is more likely to get down to the level of the blend than the blend is likely to rise to the level of the palate. As a result, we shall probably develop amongst our people a taste for spirits which "bite all the way down"—in other words, for blended spirits. A spirit such as would be recommended by the medical profession does not "bite all the way down," but gets in its work in the way that it is intended to do, and is of great value. But it would be very difficult to trace the effects of a compound which consists of only one-fourth of spirit from the pure juice of the grape and of three-fourths of some unknown spirit. Blending may be necessary to suit certain palates, but I think that that process is introduced for the purpose of enabling a compound, which will command a certain sale, to be placed upon the market at a cheap price.

Mr. FRAZER.—But must not the spirit be pure alcohol, no matter from what material it is extracted?

Mr. SALMON.—I may tell the honorable member that I recently heard of a whisky which was manufactured in Germany, and which was placed upon board ship for 9d. per bottle. This stuff was shipped to South Africa, and we can easily imagine the evil effects to the inhabitants of a tropical climate which would result from the consumption of a spirit of that character.

Sir JOHN QUICK.—That class of spirit would not be blended with pure grape wine spirit.

Mr. SALMON.—This is the only opportunity that we have of dealing with the local manufacture of spirits. It is the function of the States to legislate regarding the food and drink of the people. This is the only way in which the Commonwealth Parliament can endeavour to insure to the consumer a really pure spirit.

Mr. GLYNN (Angas) [10.3].—As there seems to be a fairly general desire to differentiate between pure grape spirit and spirit which is distilled partly from grape wine and partly from other materials, I think that we ought so to arrange these Excise duties that a preference shall be extended to the former as against the latter

article. Pot-still brandy, so far as my information goes, is not brandy which passes into general consumption. Only last night I read a letter which showed that in South Australia an attempt was made to get it into general consumption, but the effort failed.

Mr. FOWLER.—That was because the distiller did not understand the process which should be adopted in its distillation.

Mr. GLYNN.—Perhaps after fifty years' experience a man like Mr. Seppelt, who has one of the best establishments in the world, from the point of view of its up-to-dateness, does not know his business. It is possible that some of the old concerns, such as I have seen in the south of France, may have appliances superior to those which he possesses. My point is that we have expert testimony that brandy distilled by means of the pot still does not pass into general consumption in Australia, because the public will not have it. The brandy which is put upon the market as a blended brandy is made up of 25 per cent. of pure grape spirit, the balance being rectified spirit of the grape. What we want to do is to preserve a distinction between the brandy which is so made wholly from the pure wine spirit and that which consists of only 25 per cent. of pure grape spirit made by the pot still, the balance being composed of the rectified spirit of other materials. I suggest that we should retain the duty upon spirit n.e.i. at 14s. per gallon. The honorable and learned member for Bendigo argues that if we fix the Excise duty upon brandy which is distilled wholly from grape wine by a pot still or similar process at 11s. per gallon, and that upon blended brandy at 12s. per gallon, and if we levy an Excise of 14s. per gallon upon spirit n.e.i., which will include molasses, we shall be charging the last-named the same rate that is imposed upon imported spirits. If we wish to overcome that difficulty, I suggest that we should fix the Excise duty upon brandy distilled wholly from grape wine at 10s. per gallon, that upon blended brandy at 11s. per gallon, and that upon spirit n.e.i. at 13s. per gallon. We shall thus differentiate sufficiently in favour of pure grape spirit, and attain the object of the honorable and learned member.

Mr. ISAACS.—The suggestion of the honorable and learned member himself would afford no protection whatever to any article but grape spirit.

Mr. GLYNN.—My main point is that we must offer a preference of 2s. per gallon to brandy which is distilled from pure grape wine as against brandy which is distilled chiefly from molasses.

Mr. MAHON (Coolgardie) [10.10].—I have listened to the debate very attentively, and I am not clear upon one or two points. I therefore rise for the purpose of obtaining information either from the Chairman of the Commission or from the representative of the Government. I desire to know what is the meaning of the words "or similar process" which are used in connexion with distillation by means of the pot still?

Sir JOHN QUICK.—They mean a mechanism or apparatus which yields substantially the same results as does a pot still.

Mr. MAHON.—As the officials of the Customs Department will have to interpret this Tariff, I thought it was advisable to obtain an authoritative statement upon the matter.

Sir JOHN QUICK.—The Customs officials approve of the use of those words.

Mr. MAHON.—I understand that the Coffey patent still will give practically the same results as does the pot still under certain circumstances?

Sir JOHN QUICK.—It will if it is properly supervised.

Mr. MAHON.—I understand that the object of inserting this provision in regard to the pot still was to insure that whisky which is rightly rectified in the patent still shall retain a certain quantity of the impurities which give it its characteristic flavour. Therefore, I apprehend that the aim of the Commission and of the Government—in using the words "or similar process"—is that if the patent still produces practically the same results as does the pot still, the spirit obtained from the former will be charged the same rate of Excise as spirit obtained from the latter.

Sir JOHN QUICK.—Undoubtedly.

Mr. DUGALD THOMSON (North Sydney) [10.12].—I am very reluctant to depart from any unanimous recommendation of the Tariff Commission, and would only do so if I thought that the case made out for an alteration of any such recommendation had not been sufficiently answered. So far I do not think that we have had a sufficient reason given for the different treatment which the Commission recommended should be accorded to brandy distilled wholly from

grape wine and brandy which is distilled partly from grape wine and partly from other materials. If it be a fact that the former article is a more wholesome one, in addition to being a more legitimate article, I would extend a preference to it much more readily than I would offer a preference to one particular set of manufacturers as against another set of manufacturers. I would grant a preference for purity and wholesomeness much more readily than I would a mere protective preference. If it be admitted—and the Tariff Commission appears to acknowledge it—that pure grape brandy is a better article than is blended brandy, there is good reason why we should make a distinction which would encourage its consumption. The distinction which existed when the Tariff Commission dealt with this matter was greater than that which would be made under its own recommendations. For instance, the Commission recommends a reduction of the Excise duty upon spirits distilled wholly from grape wine of 1s. per gallon as against a decrease in the Excise duty upon blended brandy of 2s. per gallon. That is a difference of 100 per cent. Unless reason can be shown to the contrary, it seems to me that the effect of adopting the recommendations of the Commission would be to discourage the use of the purer and more wholesome article. The honorable member for Parramatta stated—and I think that the honorable and learned member for Parkes took him up wrongly in this connexion—

Mr. BRUCE SMITH.—What does the honorable member mean by “wrongly”?

Mr. DUGALD THOMSON.—The honorable member for Parramatta merely quoted the letter of Mr. Penfold, for the purpose of accentuating his belief that there was a great difference between the cost of production of the two articles. He did not quote that gentleman's communication as the reason why he held that view.

Mr. BRUCE SMITH.—I referred to the matter only as an illustration of what I considered a wrong method.

Mr. DUGALD THOMSON.—I think that the honorable and learned member misunderstood the honorable member for Parramatta, who believed that there was a marked difference in the cost of production, and used the figures in question merely to support that opinion. The evidence and the knowledge that I have obtained from other sources leads me to believe that the cost of producing pure grape wine brandy

is considerably higher than is the cost of producing the blended article. If that be so, and any encouragement is to be given to the pure article, a sufficient margin must be allowed between the Excise duty on the two. It has not been proved to my satisfaction that that encouragement will be given if the difference that has previously existed be reduced. I am anxious to support the recommendation of the Commission, but if I cannot be convinced on that point, I shall have to support the proposal of the Government to allow a greater difference. I do not think that sufficient reason has been shown for reducing the Excise on grape brandy by 1s. per gallon, and reducing the Excise on blended brandy by 2s. per gallon.

Sir JOHN QUICK (Bendigo) [10.18].—I wish to deal as briefly as possible with one or two points that have been raised. In the first place, the honorable and learned member for Parkes asked why the Commission had recommended a protection of 4s. per gallon in respect of brandy distilled wholly from grape wine, and of 3s. per gallon in respect of blended brandy. The reason is that the blend was to consist partly of grape wine spirit and partly of spirit obtained from other materials, but was to comprise not less than 25 per cent. of pure wine spirit. As a matter of practice, a blend may consist of spirits derived from molasses, grain, or other distilling material. Too much stress has been laid upon the fact that cheap molasses costing only 9d. a gallon is, or will be, used in blending. As a matter of fact molasses spirit is not exclusively used for that purpose. According to the evidence it is sometimes used, but grain spirit is also employed. Honorable members will see on turning to page 24, paragraph 3, of the report, that the grain spirit which may be so used costs from 2s. 9d. to 2s. 11d. per gallon. That being so, the average cost of spirit used for blending, instead of 9d. per gallon, is more likely to be 1s. 6d. or 2s. per gallon.

Mr. WATKINS.—How does that compare with the cost of grape spirit?

Sir JOHN QUICK.—Grape spirit costs about 4s. per gallon. When we require that for blending purposes 25 per cent. of grape spirit shall at least be used, and that the rest of the blend shall comprise spirit made from grain or molasses, we must recognise that the cost of the blending material will certainly be

more than 9d. per gallon. The Commission thought that a fair, rough and ready calculation showed that it would be sufficient to give blended spirit an advantage of 1s. per gallon less than that enjoyed by the pure article. In dealing with a question of this kind the measure of protection cannot be indicated with mathematical or logical certainty. The calculation made by the Commission was a rough and ready one, based upon the difference in the cost of the materials used, and upon the supposition that sometimes 50 per cent. or 75 per cent., instead of 25 per cent., of grape spirit might be employed. I submit that our estimate that a difference of 1s. is sufficient to allow is just as likely to be correct as is any other estimate that has been put before the Committee. It is based upon evidence, but it appears that our conclusion is to be rejected. If it is we shall not be responsible, but shall bow respectfully to the decision of the Committee. I should like to point out further that the recommendation to allow a difference of only 1s. and a protection of 3s. per gallon, as against the protection of 4s. per gallon in the case of the pure standard brandy, is based upon evidence that the raw material out of which the blended brandy is to be made may not average 9d. per gallon, but more like 2s. per gallon. I think that is sufficient to justify our recommendation. However, the question is an arguable one, and its final decision rests with the Committee. Apparently under the guidance of the Committee the House will propose to reduce from 3s. to 2s. per gallon the protection which we recommend should be given to blended spirit. In reply to the point raised by the honorable member for Coolgardie, I should like to mention that the words "similar process" were inserted after the words "brandv distilled wholly from grape wine by a pot still," so as not to exclude the Coffey patent still which is used in some of the great distilleries in the States. They were designed to allow the use of the patent still, provided it be so managed as to yield results substantially similar to those obtained from the use of the pot still. By means of the pot still spirit is distilled in such a way as to retain the natural ethers or the natural volatile elements and characteristics of the true brandv or whisky. It was admitted by most of the witnesses that when run at

Sir John Quick.

high pressure and strength, the patent still will not yield that result, but that it may be so managed that it will do so. We do not wish to exclude the patent still. In settling the wording of this clause. I consulted a trusted Excise officer who assured me that these words will not exclude the patent still provided that it is so managed as to yield results substantially similar to those obtained from the pot still.

Mr. MALONEY (Melbourne) [10.25].— I desire to briefly state my views with respect to this question. There should be no conflict of opinion as to the difference between brandy made from wine and that made from other materials to which reference was made in the evidence given before the Habitual Drunkards Board appointed by the Victorian Government in 1898. Among the witnesses examined by the Board were Mr. Daniel Ferguson, Chief Inspector of Distilleries, and Mr. Archibald Wm. Smart, senior landing surveyor, the one having thirty-five years' experience and the other an experience extending over something like twenty-one years. It was shown clearly by those witnesses that only one-third of the whiskies and brandies then imported into Victoria were the pure spirits their names represented them to be; that another third consisted of a mixture of brandy and whisky with silent spirit; and that the remaining third consisted of silent spirit blended with essences which, in their concentrated form, were generally virulent poisons. What is protection to the manufacturer is protection to the consumer, and the Government deserve the support of every loyal protectionist in their attempt to protect the consumer by giving an impetus to the manufacture of brandy from wine and of whisky from malt. Mr. Smart, when giving evidence before the Habitual Drunkards Commission, said—

The cheap spirit can be made from anything that contains saccharine. I think it is made from sugar, molasses, and all kinds of grains, including maize. Sometimes rice and potatoes are used. It is not manufactured here into different spirits by the addition of essences; it is brought out as whisky, rum, and brandy. About one-third of the whisky imported is the plain spirit flavoured, and possibly about another third is mixed with a real whisky.

The recommendation made in one of the minority reports was that—

The sale of cheap spirits flavoured to taste like brandy, whisky, gin, &c., should be prevented, as expert evidence shows that alcohol,

and even Glasgow whiskies, costing 11d. a gallon, are sold as the best spirits.

I maintain that such spirits are sold under a fraudulent term—

The two Government Custom House officials examined showed that of the whiskies and brandies imported and sold in this colony, one-third only are the pure spirits their names represent them to be, another one-third being plain or silent spirit, and the remainder a mixture of brandy and whisky with silent spirit.

It may be mentioned that expert analytical chemists state the silent spirits to be the purest of alcohol; if that be so it would be more honest that they should be sold under their proper names.

The honorable member for Bland said that we ought to have discovered that cheap spirit could be made from molasses, and an honorable member in the Opposition corner interjected that it was only known in America a little while ago that cheap spirit could be so produced. In 1898, one of the experts of the Victorian Customs Department gave evidence before the Habitual Drunkards Board that "molasses spirit is made here, and is mostly all methylated."

Mr. TUDOR.—I think it was stated by way of interjection that the Excise duty on methylated spirit was being reduced because it was coming largely into use.

Mr. MALONEY.—My only desire was to show that we have been fully alive to the fact that spirit can be produced cheaply from molasses. The honorable member for Perth interjected, when the honorable member for Laanecoorie was quoting the *Lancet* as an authority upon the purity of brandy distilled from grape spirit, that the brandy produced in that district of France from which we obtain the *Fin Champagne* is equal to the best that is made in Australia. I would remind the honorable member, however, that the price of such brandy practically prohibits its use in hospitals and like institutions.

Mr. FOWLER.—I recognise that.

Mr. MALONEY.—That being so, it is not fair to compare the brandies of France with those of Australia, which are made from the pure grape spirit. I would point out also that the spirit exported from other countries is not subject to the care and supervision which that sold within those countries receives.

Mr. FOWLER.—The people of those countries will not drink the rubbish that they export.

Mr. MALONEY.—There is a good deal of force in that statement. A body of experts has expressed an opinion favorable to Australian brandy as against that produced elsewhere. When the authorities of the British Army obtained samples of brandies they were unable, of course, to think of purchasing the high-priced French brandy to which I have just referred. Those brandies could not compete with Australian brandies. In the country 7s. 6d. a bottle is charged for Hennessy's brandy, though no one will say that it is a spirit distilled wholly from grape wine. On the other hand, there can be obtained in Bendigo, at 3s. 3d. a bottle, a brandy distilled wholly from grape wine, which any medical man would say is far more valuable for medicinal purposes. In America, according to the expert whose evidence I have just quoted, spirit which is to be used medicinally must have been matured for at least two years. It will be admitted that blending leaves the door open for adulteration, and no honorable member desires that either the food or the drink of the people shall be adulterated. I should like to see a greater amount of protection given to the distilling of pure grape brandy and pure malt whisky; but, as that cannot be obtained, I shall, as a protectionist, accept what the Government offer. I wish to pay my meed of praise to the Tariff Commissioners, who have devoted great energy and talent to the task intrusted to them. A long experience of Commissions in Victoria leads me almost to support the view of the German cynic, that, if the Lord had placed the making of the earth in the hands of a Commission, it would never have been made, or, if made, would have been a botch. I have no fault to find with the present Commission; but I wish to point out to its members—and I hope that they will take the remark in good temper—that they cannot be allowed to "boss" the Committee. It is within the region of possibility that, to suit a certain type of politician—such as, thank Heaven, we have not yet produced in Australia—a Government may appoint a Commission to give a one-sided report, and, if such a Commission were allowed to dominate Parliament, it would be a very serious matter. Therefore, I shall resent very strongly any attempts to force the opinions of any Commission on honorable members.

Mr. GLYNN (Angas) [10.35].—I ask the Government to make paragraph 2 read—

Blended brandy distilled wholly from grape wine, containing not less than 25 per cent. of pure grape wine spirit (which has been separately distilled by a pot still or similar process at a strength not exceeding 35 per cent. over-proof) the whole being matured by storage in wood.

Sir JOHN QUICK.—This is a new scheme.

Mr. GLYNN.—I wish to provide for the use of wine spirit only.

Mr. DUGALD THOMSON.—Is there much difference between highly rectified spirits derived from different materials?

Mr. GLYNN.—That is the point which we have been arguing for two days past.

Sir JOHN QUICK. — The honorable and learned member asks for a reduction in duty and the exclusion of molasses spirit.

Mr. GLYNN.—I wish for the exclusion of molasses spirit. The duty on pot-still brandy has been fixed at 10s., but that spirit is not an article of consumption as drink.

Mr. DUGALD THOMSON.—Why not?

Mr. GLYNN.—I understand that it is too highly flavoured.

Mr. DUGALD THOMSON. — According to the Tariff Commission's report, a pot-still brandy is made in France.

Mr. GLYNN.—Yes, but, as the honorable member for Melbourne has shown, it is so highly priced as to be really not an article of general consumption.

Mr. JOSEPH COOK.—What spirit would the honorable member use for blending?

Mr. GLYNN.—Rectified grape spirit. I think that 25 per cent. of grape wine spirit distilled by a pot-still at a strength not exceeding 35 per cent. over-proof and 75 per cent. of more highly rectified grape wine spirit should be used.

Mr. DUGALD THOMSON.—If rectified spirit is not injurious, why not allow brandy to be made wholly of rectified grape spirit, instead of requiring 25 per cent. of grape spirit distilled by a pot-still to be used?

Mr. GLYNN.—It is the unanimous testimony of experts that, if a brandy does not contain 25 per cent. of grape wine spirit distilled by a pot-still, it will not be a marketable commodity, because it will lack the necessary flavour.

Mr. DUGALD THOMSON.—Does the honorable member wish to prohibit the use of rectified grain spirit?

Mr. GLYNN.—Yes.

Sir JOHN QUICK.—The honorable and learned member is going too far. Grain spirit costs 2s. 6d. to produce.

Mr. GLYNN.—I understand that it costs from 2s. 6d. to 2s. 11d. If the Committee will not agree to prohibit the use of grain spirit, no more need be said on the subject.

Sir JOHN QUICK.—Grain spirit is not a cheap spirit.

Mr. GLYNN.—Will the honorable and learned member accept an amendment that will have the effect of providing that the blended brandy shall consist of not less than 25 per cent of pure grape spirit made in a pot still, and 75 per cent. of rectified spirit distilled from grape wine or grain, and that the duty be 11s., making other blends 13s. per gallon?

Sir JOHN QUICK.—Yes.

Mr. GLYNN.—Will the honorable and learned member also agree to provide for a duty of 10s. per gallon upon pure pot-still grape wine spirit?

Sir JOHN QUICK.—Yes.

Mr. GLYNN.—I am willing to agree to that.

Mr. POYNTON (Grey) [10.42].—I do not think that the compromise suggested by the honorable and learned member for Angas will carry him any further forward. If the duty upon blended brandy is reduced to 11s., we shall not provide for a sufficient differentiation between pure grape wine brandy and blended brandy. It would simplify matters very much if a special paragraph were inserted, dealing with brandy made from grape wine spirit, as contrasted with blended brandy made of grape spirit and of spirit distilled from other materials. I cannot agree to accept a reduction of the duty upon blended brandy to 11s., because that would place the manufacturers of pure grape wine brandy at a disadvantage.

Mr. HUTCHISON (Hindmarsh) [10.44].—I wish to move—

That before the word "materials," line 45, the word "approved" be inserted, and that after the word "materials," line 45, the words "not including spirit made from molasses," be inserted.

If honorable members will look at the report of the Commission, they will find the following statement:—

With reference to the constituents of blended brandy, we are of opinion that no spirit should be regarded as a blended brandy unless it contains 25 per cent. of true brandy, the product of grape wine, the result of a separate distillation at a low alcoholic strength; the balance may be patent-still spirits from any approved material.

Honorable members will see that the Commission recommend that spirits used for blending shall be made from approved material. They apparently came to the conclusion that certain kinds of spirits should not be used for blending with brandy. I fully agree with that view. No doubt the Commissioners had it in their minds to preclude the use of cheap spirit made from molasses. I am afraid that if manufacturers were permitted to use molasses spirit for blending purposes the distillers of pure brandy in South Australia would be entirely shut out of the market. Spirit made from molasses should be used only for making rum, or for the purposes of methylization. In the United States the bulk of the molasses spirit is methylated, and nearly one-half of the molasses spirit produced in the Commonwealth last year was similarly treated.

Mr. FISHER.—That was not because it was bad spirit.

Mr. HUTCHISON.—No, but because it could be more profitably used for industrial purposes. If we were to permit the use of molasses spirit for blending purposes, pure grape brandy would be entirely shut out of the market. The manufacturers of brandy would have to buy cheap spirit for blending purposes, and would have to turn out an inferior article. In fact it would destroy the trade entirely, and that is the reason why I propose to exclude molasses. It would mean not only that the manufacturers would have to sell inferior brandy, but that a very large acreage which is under vines at the present time would be rendered practically valueless. It would mean the ruin of some hundreds of vigneron, and great injury would be done to thousands who are engaged in the industry. I should like to point out to honorable members that we have not merely to consider the persons who are actually employed in the processes of distillation. The industry indirectly employs many hundreds of growers, harrowers, pickers, and carters.

Mr. DAVID THOMSON.—The growers get only about £2 per ton for their grapes, so that they would not suffer any very serious loss.

Mr. HUTCHISON.—They would suffer a very serious loss. The honorable member must recollect that this trade is capable of enormous expansion. Personally I do not wish to see any spirit excluded other than molasses. Under my proposal in the

absence of the word "approved," it would be open to distillers to make use of potato spirit. I find that Mr. Cleland, in his evidence before the Tariff Commission, stated that he could purchase brandy f.o.b. in Europe for 7s. per dozen bottles.

Sir JOHN QUICK.—The honorable member is referring to imported brandy.

Mr. HUTCHISON.—Exactly. My point is that if brandy can be made in any part of Europe for that amount it can be produced in Australia. But under my proposal the Minister would see that spirit of that character did not go into consumption.

Mr. DEAKIN (Ballarat—Minister of External Affairs) [10.53].—Before the honorable member actually submits his proposal, perhaps he will allow me to make a suggestion which may simplify our procedure. I have been consulting the Chairman of the Tariff Commission and various other honorable members upon this matter, with a view to solving the difficulty which confronts us. The suggestion which has been made, and which the officers of the Department regard as quite a workable one, is that we should introduce another item relating to brandy between items 1 and 2. In the first place, it is suggested that upon brandy which is distilled wholly from grape wine by a pot still the Excise duty shall be 10s. per gallon. It is then suggested that we might introduce into these resolutions a blended brandy which has been distilled from grape wine "containing not less than 25 per cent. of pure grape wine spirit, which has been separately distilled by a pot still or similar process at a strength not exceeding 40 degrees over-proof, the whole being matured by storage in wood for a period of not less than two years, and certified by an officer to be brandy so blended and matured." The duty upon this article might be 11s. per gallon. Honorable members will notice that the whole of this blended brandy would have to be distilled from grape wine, though only 25 per cent. of it must be distilled by means of a pot still. Then it is suggested that blended brandy distilled partly from grape wine and partly from grain should bear a duty of 12s. per gallon.

Mr. FOWLER.—How would the Prime Minister describe the item which he proposes to introduce to differentiate it from blended brandy, which is distilled partly from grape wine and partly from other materials?

Mr. DEAKIN.—That is merely a question of nomenclature. Then upon spirit n.e.i. it is suggested that a duty of 13s. per gallon should continue to be charged. We should thus have Excise duties of 10s., 11s., 12s., and 13s. per gallon in successive steps upon brandies of different degrees of purity.

Mr. DUGALD THOMSON.—Under the item of "Spirit n.e.i.," could a blended brandy containing one-quarter of pure grape spirit and three-quarters of spirit produced from inferior materials be labelled as a genuine brandy, and sold as such?

Mr. DEAKIN.—No. In the Bill in which these resolutions will be embodied we make provision for specially authorized labels, which can only be attached to the classes of spirits made as prescribed.

Mr. DUGALD THOMSON.—If we allow a whisky which is composed of 75 per cent. of grain spirit to be called a blended whisky, I cannot see any reason why we should not allow a whisky which contains 75 per cent. of molasses spirit to be designated by the same term.

Mr. DEAKIN.—There is no provision as to the percentage of spirit which shall be contained in any article under the item of "Spirit n.e.i." The suggestions which I have made seem to me to offer a solution of the difficulty which confronts us.

Mr. HUTCHISON (Hindmarsh) [10.58].—I should like to know whether, under the suggestion of the Prime Minister, spirit made from molasses could be used as a blend in brandies which are placed upon the market?

Mr. DEAKIN.—Not in brandies which are labelled by the Commonwealth.

Mr. HUTCHISON.—But we should not permit this cheap spirit to be put into anything which is called brandy.

Mr. DEAKIN.—If the honorable member wishes to prevent that, he must accomplish his object in the Bill in which these resolutions will be incorporated.

Mr. HUTCHISON.—If honorable members will look at progress report No. 2 of the Tariff Commission—

Mr. WATSON.—Under the Government proposal, molasses spirit could not be called brandy. It can merely be sold as spirit, and it will have to pay an Excise duty of 13s. per gallon. Surely that ought to satisfy the South Australians.

Mr. HUTCHISON.—It does not satisfy me. If honorable members will turn to progress report No. 2 of the Tariff Com-

mission, under the heading of "Spirits and the Distillation of Spirits," they will find that brandy which is made entirely from wine spirit is to have an advantage conferred upon it by being labelled "Pure Australian Standard Brandy." If honorable members turn to the next paragraph they will see that another class of brandy, which is to be blended with a different spirit—and this is why I wish to prevent the use of molasses spirit for blending purposes—is to be labelled "Australian blended brandy." That will be very confusing. If we are to allow a blend containing only 25 per cent. of grape spirit to be placed on the market we should not permit it to be described as brandy.

Mr. JOHNSON.—I fail to see what difference it makes whether the spirit mixed with pure grape spirit is distilled from molasses or grain.

Mr. HUTCHISON.—If the honorable member were engaged in the industry he would quickly recognise the difference. There is no reason why we should allow anything but pure grape brandy to be labelled "brandy."

Mr. DUGALD THOMSON.—Quite so; but if we do allow a blend to be labelled "brandy," why not allow a blending of grape spirit with any spirit to be labelled "Australian blended brandy"?

Mr. HUTCHISON.—I object to molasses spirit being used in blending. If a blend containing only 25 per cent. of pure grape spirit is to be labelled "Australian blended brandy," it should bear a statement to the effect that it contains only 25 per cent. of pure grape spirit. The public would then know what they were buying, and a blend so described would find but few purchasers. I do not think that honorable members recognise the full significance of the Prime Minister's proposal. His object is a good one, but I do not think that he proposes to go far enough. There is no reason why we should permit a blend which contains only 25 per cent. of pure grape spirit to be labelled "brandy."

Mr. FISHER (Wide Bay) [11.4].—The view of the honorable member that grape spirit only should be used in the production of brandy is worthy of commendation; but whilst I think that the nature of a blend should be clearly stated on the label, I have yet to learn that it is undesirable to be able to obtain a good article at a low price.

Mr. HUTCHISON.—But this is to be a nasty thing sold cheaply.

Mr. FISHER.—I have been searching for any evidence that molasses spirit is bad. It is not as good for certain purposes as a spirit made from the grape, but—

Mr. DUGALD THOMSON.—Why should we allow a blend to consist of 75 per cent. of rice spirit if we are not going to permit the use of molasses spirit for blending purposes?

Mr. FISHER. — I do not think we should be justified in excluding one particular spirit.

Mr. DUGALD THOMSON.—Not if it were equally wholesome.

Mr. FISHER.—Quite so. I fully recognise the care which the Commission has bestowed on its work, and the extent of the expert evidence given before it; but I think that it is, to say the least, singular if the opinions of its members can be swayed by the fact that certain honorable members have not risen to protest against the exclusion of molasses spirit. If the Commission are sure of their facts, surely it should make no difference to them whether 10 or 100 men oppose their proposal. It has no evidence that is opposed to the manufacture of spirit from molasses, and I hold that we should not penalize such a spirit because of its cheapness.

Mr. DUGALD THOMSON (North Sydney) [11.6].—My point is that if spirit produced from grain, molasses, or any other material containing sugar is declared to be unwholesome we ought to exclude it, but that we ought not to exclude a spirit which is not less wholesome than any grain spirit which may be blended with grape spirit and sold as brandy. I agree with the honorable member for Hindmarsh that if we decide that brandy shall be only that which is the product of the grape, we should exclude grain and all other spirit; but since we are prepared to allow a mixture of grape spirit with spirit distilled from wheat or any other grain to be described as "blended brandy," I fail to see why we should exclude the use of molasses spirit for the same purpose, unless it can be shown that it is less wholesome. There seem to be only two logical courses open to us. We must either provide that nothing shall be labelled as "brandy" except that which is the product of the grape, or if we are to allow a blending of grape and other spirits to be described as blended brandy, we should not

prevent any spirit being so used except on the ground of its being deleterious.

Mr. DEAKIN (Ballarat—Minister of External Affairs) [11.9].—The honorable member has been good enough to indicate the difficulty which he feels in regard to these proposals, and I move—

That the following new paragraph be inserted after paragraph 1, line 43:—

"Blended wine brandy distilled from grape wine, and containing not less than 25 per cent. of pure grape wine spirit (which has been separately distilled by a pot still or similar process at a strength not exceeding 40 per cent. over-proof), the whole being matured by storage in wood for a period of not less than two years, and certified by an officer to be brandy so blended and matured, per proof gallon, 11s.

I propose that paragraph No. 2, which will become paragraph No. 3, shall relate to "blended grain brandy." That being so, there will be no doubt as to the class of brandy to which it refers. In the first paragraph we shall deal with pure brandy, in the second, with blended wine brandy, and in the third, with blended grain brandy in which not more than 25 per cent. of grain spirit may be used. These will be the only brandies.

Mr. JOSEPH COOK (Farramatta) [11.11].—It appears to me that while the Prime Minister's proposal will in part meet the difficulty as to the want of further classification, it will not meet the criticism offered by the honorable member for North Sydney.

Mr. FISHER.—It is more clever than equitable.

Mr. JOSEPH COOK.—All three of these classifications exclude molasses.

Mr. WILSON.—So they should.

Mr. JOSEPH COOK.—If molasses are unfit for the production of brandy it is proper to exclude them.

Mr. HUTCHISON.—They are not unfit for a blend, but they are unfit for brandy proper.

Mr. JOSEPH COOK.—This classification excludes them altogether. The whole question is: ought molasses to be excluded from the making of brandy? I take it that the principle of this classification is to exclude spirit made from molasses as deleterious.

Mr. DEAKIN.—Oh, no; it would not have the right to bear any of these special names, that is all.

Mr. JOSEPH COOK.—I am afraid that the result will be that the more cheaply produced stuff will compete with the other, and the general public will not trouble much

what it is distilled from. They will only know that it is called brandy, without troubling much whether it is made from grain, grapes, or anything else. The evidence given before the Tariff Commission shows that the public taste is hit by a blend more than by the genuine stuff. The popular brandy is a blended brandy, and it is just possible that we may have a blended brandy that will taste just as well as a better kind. The more logical course to take would be, if we intend to exclude brandy made from molasses from being officially called brandy, to prevent it going on to the market as a drink at all. If it is vicious stuff, exclude it from consumption; rule it out altogether. If the Government intends to adopt this classification it certainly ought to go further, because, as now proposed to us, it seems to me that it will only be making things worse. The stuff which is not genuine brandy should be ruled out of the market as a drink altogether.

Mr. DEAKIN (Ballarat—Minister of External Affairs) [11.15]. — I feel, of course, that we are submitting a proposal which requires a good deal of further consideration. At present we are dealing with a schedule, which, if agreed to, becomes a schedule to a Bill yet to be submitted. If on further examination honorable members think that there is any imperfection in the proposal, they will still have it in their power to remedy it. The Committee can add just what it pleases. We are dealing here with the titles which we propose to confer upon certain liquids. We refer to blended wine brandy and grain brandy. But other brandies are not excluded.

Mr. DUGALD THOMSON.—Why not also say “blended sugar brandy”?

Mr. DEAKIN.—That can be done, but it will not be possible for manufacturers to apply those names which are appropriated by Act, and for which labels are assigned, to other brandy. Outside these brandy may be made from any spirit whatever, if it is matured for two years in the wood. There is nothing but the taste and judgment of the public to guide them as to which liquor they will consume. We start with brandy at 10s., wine brandy 11s., grain brandy 12s.; and then we come to all the other brandies or whiskies from whatever they may be manufactured.

Mr. DUGALD THOMSON.—Can they be called brandies?

Mr. DEAKIN.—They can be, but the manufacturers cannot use the labels that will be specified in the Act. They can use any other names of their own. There will be a label which can be applied only to the compound to which it is assigned.

Mr. JOSEPH COOK.—I can conceive of nothing which will tend so much to the popularization of inferior stuff as that; it gives manufacturers the privilege of labelling their compounds as brandies.

Mr. ISAACS.—It does not give them any privilege.

Mr. DEAKIN.—No one has ever been refused the right to attach the name brandy to whatever he wishes to sell as brandy; but it rests with the public to say whether they will buy it or will not. That liberty is not diminished in the slightest degree by what we propose; but such brandies cannot be sold under the special titles that will be legalized. There are to be labels authorized by the Act, and I will ask honorable members to wait until they see the Bill and the labels before they decide that there is any unfairness in what is proposed.

Mr. FISHER (Wide Bay) [11.19]. — I think that, owing to the new proposal which the Government has made, it is appropriate that we should adjourn now, so that we may have an opportunity of considering the scheme. The proposal is entirely new. It has not been even hinted at by that celebrated Commission whose investigations were supposed to reach to the last of these important matters. The proposal appears to me to be inequitable, because it excludes a certain spirit without naming it. I care nothing as to what the Committee may decide in a direct, open, and straightforward manner, but we ought not to hide our meaning in a cloud of words which would be interpreted to mean one thing and one thing only. If we mean to exclude spirit made from molasses or from any grains, let us state that clearly and be done with it; but I shall not support the Government proposal drafted as it is.

Mr. DUGALD THOMSON.—They allow rice spirit, rye spirit, and maize spirit to be used in blends of brandy.

Mr. FISHER.—All grain spirits are allowed to be used, spirit from molasses only is excepted.

Mr. WATSON.—They are all much dearer than molasses spirit, and therefore they are getting greater protection.

Mr. FISHER.—Exactly. I have no objection to the position taken up by the

honorable member, but let us say that we intend to penalize molasses spirit, because it is better and cheaper.

Mr. WATSON.—Not to penalize it, but to give more protection to the spirits which are dearer.

Mr. FISHER.—Let it be remembered that certain distilleries have been built up since the Federal Tariff was imposed.

Mr. WATSON.—Where?

Mr. FISHER.—In Queensland.

Mr. WATSON.—In New South Wales molasses spirit was distilled long before the Commonwealth Tariff was introduced.

Mr. FISHER.—Let us see the figures for New South Wales. In 1900 no spirit was distilled in that State; but in 1905 655,531 gallons were distilled.

Mr. WATSON.—No spirit distilled in New South Wales!

Mr. FISHER.—I shall read the passage from the report of the Tariff Commission—

From a return prepared by the Department of Customs it will be seen that a great increase has taken place in the production of spirit in New South Wales:—

Year.	Gallons.		
1899	Nil.
1900	Nil.
1901	88,680
1902	479,559
1903	592,868
1904	699,389
1905	655,531

The duty of the Tariff Commission was to inquire into the effect of the Tariff. Here is an industry which has grown up to this extent in New South Wales, and yet it is proposed by a side issue to wipe it out.

Mr. HUTCHISON.—No.

Mr. BAMFORD.—Does the honorable member mean to say that the whole of the spirit distilled in New South Wales has been used in the manufacture of brandy?

Mr. FISHER.—No. It cannot be denied that in New South Wales an industry has been brought into existence by the operation of the Federal Tariff. It is now proposed by the Government to make the difference between the Excise duty on molasses spirit and the import duty is., and in the case of every other spirit—

Mr. DEAKIN.—Every spirit except those defined here is in the same position.

Mr. FISHER.—What does the honorable member define in the last paragraph—that grain spirit shall have a protection of

2s. per gallon? Is not that a differentiation?

Mr. DEAKIN.—I said so, but only a differentiation of is., and that covers every other spirit except this particular kind.

Mr. FISHER.—Exactly; but every grain spirit is in a better position than molasses spirit.

Mr. KELLY.—Grain spirits vary.

Mr. FISHER.—All grain spirits get is. more protection than does molasses spirit. What other spirit is the differentiation against?

Mr. WATSON.—Potato spirit.

Mr. FISHER.—Potato spirit only. I submit that we ought to hear the members of the Tariff Commission on this point. If the members of that body, who have said so much about their report and declared that they would not have it interfered with, are supporting this proposal, I am surprised at their attitude. I hold that an alteration of this kind should be made at a time when it could receive fuller consideration.

Mr. DEAKIN. — I pointed out that the schedule will come up again for consideration.

Sir JOHN QUICK.—The grain spirit is to include 25 per cent. of grape wine spirit.

Mr. FISHER.—My idea of carrying on the Government of the Commonwealth is, in matters of taxation, to tell the people exactly what we intend to do in the plainest possible manner, because they will then be in a position to deal with us at the general elections.

Mr. WATSON (Bland) [11.29].—When I interjected about distilling in New South Wales prior to Federation, I thought that my memory was not quite so much at fault as the extract quoted by the honorable member for Wide Bay would perhaps lead one to believe. The extract is quite correct as it was quoted, but I find that just prior to Federation distillation had ceased in the State owing to the fact that the Excise and import duties had been made equal. Some years prior to Federation, however, the distilleries of the State were producing a great deal of spirit, and I had that fact in mind when I spoke. No doubt the honorable member for Wide Bay is correct in saying that the difference between the Excise and Customs duties imposed by the Federal Tariff have had a beneficial effect on the distilling industry of New South Wales.

No attempt is now being made to injure that industry. What is proposed is that the Excise duty on molasses spirit shall remain as it is, namely, 13s., or 1s. less than the import duty.

Mr. TUDOR.—But molasses spirit is prohibited in connexion with the manufacture of brandy, blended brandy, and malt whisky.

Mr. WATSON.—Yes, because it is desired to give a special degree of protection to spirits produced from materials which are a great deal more costly than molasses or potatoes. For this reason, the Excise duty on pure grape spirit has been made as low as 10s. The action of the Committee in agreeing to that duty was an admission of the principle that we are justified in giving special consideration to spirits distilled from costly material. So far as the preservation of the public health is concerned, it is said by some that a blended grain whisky is as wholesome as a pure malt whisky. I see nothing to prevent the distillers of molasses spirit from placing it on the market, though if they do so they must pay an Excise duty of 13s. They will not be able to call it by any of the names mentioned in the schedule, but they could do as Messrs. Joshua Brothers do in naming their spirit merely "Boomerang." Provision is made for the use of the terms "pure Australian brandy," "pure Australian malt whisky," "blended wine brandy," and "blended grain whisky."

Mr. JOSEPH COOK.—They could call it sugar brandy.

Mr. WATSON.—I think so. We now have on the market cherry brandy and other brandies which are not true brandies.

Mr. DUGALD THOMSON (North Sydney) [11.35].—I take objection to this proposal, not on account of the difference made in the Excise duty, as that may be met by the cheapness with which this spirit is distilled, but because it is sought to prohibit the use of spirit which is not shown to be more harmful than the spirit which is allowed. If the distinction which is attempted to be made is drawn, it seems to me that the Excise Department may prevent spirit made in the northern States from being labelled "blended sugar brandy." They may say, "You shall not call this spirit brandy, because the Excise Act allows the application of the term brandy to certain specified spirits only."

Mr. DEAKIN.—I do not think that that is so. It will depend on the wording of the Bill.

Mr. DUGALD THOMSON.—I hope that the Minister will give consideration to the matter before the Bill is introduced. There should be no discrimination against molasses spirit unless it is more detrimental to health than other spirit.

Mr. FISHER.—What about fiscal faith? The distilling of spirit from molasses is an industry which was brought into existence by the Federal Tariff.

Progress reported.

ADJOURNMENT.

ELECTION FUNDS.

Motion (by Mr. DEAKIN) proposed—

That the House do now adjourn.

Mr. WEBSTER (Gwydir) [11.38].—I wish to say a word in regard to a development which is taking place throughout Australia to-day, and is out of keeping with the arguments used in this Chamber last session by honorable members of the Opposition. When the Arbitration Bill was under discussion the members of the Opposition wished to provide that the funds of trade organizations should not be used for political purposes; but to-day it is alleged that thousands of pounds have been contributed by the Tobacco Trust, the shipping ring, and various big firms in Sydney, to a fund which the members of the Opposition are shepherding, and which is being used by them when travelling through the country with their wives, in the endeavour to wrest from the Government at the next elections the reins of office. This is the most scandalous piece of work that has ever affected a Parliament.

Mr. JOSEPH COOK.—It is the most scandalous statement ever made in Parliament, and there is not a word of truth in it.

Mr. WEBSTER.—If the honorable and learned member for Parkes were here, he would silence the honorable member. I understand that he has already taken some of the starch out of him. This is one of the most scandalous proceedings that has ever taken place in connexion with any parliamentary party. The leader of the Opposition is travelling through the country, utilizing the large funds placed at his command for the purpose of injuring honorable members who are here attending to their public duties. Other honorable members who are rarely in this Chamber are

spending their time—and it is alleged are being well paid for so doing—in performing propaganda work, instead of attending in this House, and looking after the interests of their constituents.

Mr. JOSEPH COOK.—There is not a word of truth in the honorable member's statements.

Mr. DUGALD THOMSON (North Sydney) [11.41].—The matter introduced by the honorable member is rather beyond the range of subjects that should be brought before Parliament, but as he has chosen to make certain statements, with a recklessness which I cannot properly describe, because I should be out of order if I did so, I can only say, as the treasurer of one of the organizations that is taking part in the work of preparing for the next elections, that the statements of the honorable member are absolutely incorrect.

Mr. WEBSTER.—That is as far as the organization with which the honorable member is connected is concerned.

Mr. DUGALD THOMSON.—I might as well say, with regard to the party to which the honorable member belongs, that I hear that they are receiving contributions of thousands of pounds from all over Australia—larger amounts probably than are being placed at the disposal of any other party—and that they are spending money largely in connexion with their organizing work in the various electorates. I might say that, but I do not desire to do so.

Mr. WEBSTER.—The honorable member knows that it would not be true.

Mr. DUGALD THOMSON.—I do not. I know that such a statement would apparently have far more truth in it than those which the honorable member has made. I might say that statements are appearing in the press that levies, which must represent a very large sum, are being made upon thousands of men. So far as my knowledge goes, the honorable member's statements are quite incorrect—that is the strongest parliamentary term that I am permitted to use. Although in every contest funds have to be spent upon electoral campaign work by every party, no unusual expenditure is being incurred upon the present occasion.

Mr. KELLY (Wentworth) [11.43].—I was also connected as treasurer with a large organization in New South Wales, and I wish to say that, to the best of my knowledge, the statements which the honorable member for Gwydir has made are

absolutely incorrect, so far as that organization is concerned.

Mr. WEBSTER.—What organization?

Mr. KELLY.—The Australian Liberal League. The honorable member is a working man, and the representative of working men. The statements we have just listened to are founded upon such slender authority that they lead me to suppose that the honorable member has served his apprenticeship in the workshops of calumny.

Question resolved in the affirmative.

House adjourned at 11.44 p.m.

Senate.

Thursday, 16 August, 1906.

The PRESIDENT took the chair at 2.30 p.m., and read prayers.

IMPERIAL DEFENCE COMMITTEE.

Senator PEARCE.—I desire to ask the Minister of Defence, without notice, whether he proposes to give the Senate an opportunity of discussing the report of the Imperial Defence Committee which has been tabled in each House of the Parliament?

Senator PLAYFORD.—I can hardly answer the question at the present moment. We have to receive from our own officers a report on the document in question, and to make a great many inquiries before we can definitely state how far we will acquiesce in the various recommendations therein made. We are prepared to state to a certain extent how far we will follow the report, but I do not know that any good purpose could be served by an academic discussion of its subject-matter until we have obtained full information.

Senator MILLEN.—Arising out of the answer, I desire to ask the Minister of Defence whether he has noticed in a Melbourne newspaper of this morning a statement affirming that in a communication with a representative of the newspaper he had condemned the report of the Imperial Defence Committee, and given some reasons for his hostile attitude?

Senator PLAYFORD.—I did see a statement to that effect. I did privately express an opinion that I was more favorably inclined towards the recommendations of our Naval Director than towards the recommendations of the Imperial

Defence Committee; but it is a very difficult subject to discuss. That is my personal opinion, but it may be liable to modification on a further consideration of the subject.

PAPER.

Senator PLAYFORD laid upon the table the following paper:—

Statement of views of officers and other members of Defence Forces as to abolition of cantons.

Ordered to be printed.

COMMERCE ACT: REGULATIONS.

Senator MACFARLANE asked the Minister representing the Minister of Trade and Customs, *upon notice*—

If there are any deviations promised by the Minister from the regulations under the Commerce Act recently laid on the table of this House? If so, what are they?

Senator PLAYFORD.—The answer to the honorable senator's questions is as follows:—

The Minister for Trade and Customs has made no promise that any alterations shall be made in the regulations; but the Minister for Customs is open to receive suggestions on the subject.

Senator MILLEN.—The Minister has made no promise!

Senator FLAYFORD.—My honorable colleague has made no promise that any alterations will be made, but he is open to receive suggestions as to alterations. He may make alterations, but he has not stated that he will.

Senator MILLEN.—That does not tally with his statement in the other House.

Senator PLAYFORD.—I can only give the answer which has just come from the Department.

Senator MACFARLANE.—Arising out of the answer, may I ask the Minister whether the statement has any reference to the Butter Regulations?

Senator PLAYFORD.—I am not quite sure, but I fancy that it has reference to all the regulations under the Commerce Act which were laid upon the table. If the honorable senator will give notice of a question I shall endeavour to get a reply.

CONTRACT IMMIGRANTS.

Senator PEARCE asked the Minister representing the Minister of External Affairs, *upon notice*—

1. Has the Minister received a complaint from the Coastal Trades and Labour Council of Western Australia respecting the importation

from abroad under contract of a printer's machinist, named Baldwin, by the *Morning Herald* Newspaper Company of Perth, Western Australia, into the State of Western Australia?

2. Is the Minister satisfied that there was no infringement of the Contract Immigrants Act of 1905 in this case?

3. Are the Government aware that the Perth Hospital Board have been advertising for cooks in England?

4. Have proper arrangements been made for the administration of the Immigration Restriction Act and the Contract Immigrants Act, at Albany, Western Australia?

5. In view of the fact that Albany is the first port of call for several oversea lines of steamers, has the Government instructed the officer at Albany in reference to the administration of these Acts?

Senator PLAYFORD.—The answers to the honorable senator's questions are as follow:—

1. Yes, yesterday.

2. Inquiries are being made.

3. Not till yesterday.

4. Yes.

5. Yes, through the Collector of Customs, Western Australia.

LEAVE OF ABSENCE.

Motion (by Senator Col. NEILD) agreed to—

That four weeks' leave of absence be granted to Senator Gray, on account of illness.

CONSTITUTION ALTERATION (NATIONALIZATION OF MONOPOLIES) BILL.

Motion (by Senator PEARCE) agreed to—

That leave be given to bring in a Bill for an Act to provide for an alteration of the Constitution for granting power to Parliament to make laws providing for the nationalization of monopolies with respect to production, manufacture, trade, and commerce.

Bill presented, and (on motion by Senator PEARCE) read a first time.

PAPUA BILL.

Bill presented by Senator STEWART, and read a first time.

MESSRS. HART AND GAVEGAN : PAPERS IN CASES.

Senator STEWART (Queensland) [2.40].—I move—

That all official matter and correspondence in connexion with the cases of Messrs. Hart and Gavegan, late of the Queensland Post and Telegraph Department, together with copies of the questions put to the jury in each case, with the answers thereto, be laid on the table of the Senate, and printed.

I do not know whether the Government intend to oppose the motion or not; but as Senator Keating said "not formal" when

it was called on yesterday, perhaps it will be better for me to give my reasons for asking that the papers be tabled. It will be remembered that the cases which Messrs. Hart and Gavegan raised against the Commonwealth had to be defended at a cost of £3,500. The two men are now out of the service, and are practically ruined. My object in asking for the production of the papers is to discover, if possible, whether some of the officers of the Department, who have not been inconvenienced in the slightest degree by anything which has taken place with regard to either of the cases, may not have been primarily to blame, not only for the expense which has been caused, but also for the practical ruin of two servants of the Commonwealth. I believe that some officers of the Department are to blame. I think that the documents, if tabled, will disclose that to be the fact. Probably the Government may oppose the motion on the score of expense.

Senator Sir JOSIAH SYMON.—It is rather hard that the honorable senator should explore the documents in order to find a case for condemning somebody else.

Senator STEWART.—What I want to do is to get at the root of this trouble. Here are two men, who claim that they have been practically persecuted out of the Department, and ruined to all intents and purposes.

Senator Sir JOSIAH SYMON.—But did they not take proceedings to vindicate themselves, and fail to do so?

Senator STEWART.—They were defeated in those proceedings.

Senator Sir JOSIAH SYMON.—That shows that they were in the wrong. Are we to re-try in the Senate cases which have been dealt with in the law courts?

Senator STEWART.—We do not propose to re-try cases which have been already tried, but to try to find out whether the Department is managed as it ought to be. My claim is that in a well-managed Department such notorious cases as these would not occur. I think I shall be able to prove that from the documents if they are tabled. We are all interested in the good management of every Department, and therefore I hope that honorable senators will not be carried away by the fact that these men appealed to a court of justice, and have been defeated. We know that so-called courts of justice do not always administer justice.

Senator Sir JOSIAH SYMON.—That is a very nasty reflection.

Senator STEWART.—It may be nasty; but, unfortunately, it is true. I could call in question very strongly some of the remarks made by the Justice who sat in these two cases. His remarks showed that he had a very inaccurate knowledge of matters relating to the Public Service. In any case, I think that in its own interest, as one of the custodians of a large public Department, the Senate ought to welcome an opportunity of finding out how the trouble between the Department and these two men was caused. I, therefore, submit the motion which I have read.

Senator KEATING (Tasmania—Honorary Minister) [2.45].—When Senator Stewart's motion was called on for the first time yesterday an inquiry was made by the President as to whether it was to be treated as formal or not formal. I intimated that, as far as the Government were concerned, it was to be regarded as "not formal." My object in doing so was not to prevent any honorable senator, or any member of Parliament, from obtaining a full knowledge from the papers of what has taken place in connexion with these cases. But it will be observed that the motion asks that, not only shall the papers be tabled, but that they shall be printed. There are peculiar circumstances in connexion with these cases which it is absolutely necessary that I should bring to the notice of the Senate before it commits itself to a proposal that the papers shall be tabled and printed. Senator Stewart quite recently asked some questions of me with regard to the legal proceedings instituted by the two gentlemen named in the motion, and the answers disclosed that in all they had put the Commonwealth to an expenditure of something like £3,500, and that there was little, if any, prospect of recovering any portion of that amount from either of them. That is one peculiarity of the proceedings upon which at the outset I wish to lay some emphasis. These gentlemen have occasioned the Commonwealth a considerable amount of expenditure, and I confidently ask honorable senators to consider whether it is desirable, for the purpose indicated by Senator Stewart, to saddle the country with further expense? It has been estimated that to collate the papers and to print them would cost at the very lowest estimate £100. It is, perhaps, advisable

for me to make some remarks as to the circumstances of the cases, which have been engaging the attention of some honorable senators, and of the press in other parts of the Commonwealth. At the outset, I may say that the case of Mr. Gavegan is one that has occupied the attention of the Post and Telegraph Department and of the Public Service Commissioner for an extensive period. Mr. Gavegan was employed in the Post and Telegraph Department, in the position of line repairer, and he was transferred to a station in Queensland, known as Bauhinia Downs. Evidently he did not like his situation there, and soon after he had been transferred he instituted a series of requests that he should be transferred from Bauhinia Downs to some other centre that would be possibly more congenial to him. As honorable senators are aware, officers of the Public Service have to recognise that the convenience of the public has to be met in all parts of the Commonwealth; and it is a necessary consequence of that circumstance that some officers shall be located in centres that may not be as congenial to them as are others. This officer was determined at all costs to get removed from Bauhinia Downs. He made repeated requests to that effect, and the letters which he forwarded to his superior officers were in many instances couched in most unbecoming and intemperate language. When he found that he could not obtain the transfer that he desired he proceeded, as had been his constant habit, to ask for sick leave. At first he failed, but he was determined to get away, and he continued to apply. At a later date he asked for two months' sick leave. At first his application was refused, but on further consideration it was decided to grant him sick leave so that he might go to Rockhampton subject to the condition that he should report himself to the Government Medical Officer there. As soon as he found that that condition was attached he refused absolutely to take the sick leave. He said he would not submit himself to the Government Medical Officer. However, some little time afterwards he decided to take the leave with the condition attached to it. The Government Medical Officer having seen him, reported as follows:—

I find Mr. Gavegan to be in good bodily and mental health, and there is no reason that he can give or show me why he should not or cannot do his work. There is no doubt in my

Senator Keating.

mind that the whole matter is summed up in the fact that he does not like the station at which he is located. . . .

That did not end matters.

Senator STEWART.—What did the other doctor say?

Senator KEATING.—I have not the opinion of another doctor upon the papers. He took with him his belongings from Bauhinia Downs, and when he had got to Rockhampton he made capital out of that fact, and pointed out that he ought to be transferred to Rockhampton, and the transfer would not entail the necessity to go back and get his belongings. A considerable amount of correspondence ensued, and Gavegan was requested to go back to Bauhinia Downs. The correspondence ended in his point blank refusal. At that time the Commonwealth Public Service Act had not been passed, and Gavegan had to be dealt with under the Queensland law. The course taken was to suspend him for being absent from duty without leave, and for disobedience of instructions. Mr. Inspector Bourne was appointed a Board of Inquiry into the matter, and he reported upon the charges made against Gavegan as follows:—

Both charges are, in my opinion, proved. Mr. Gavegan was placed in charge of Bauhinia Downs owing to the very unsatisfactory way he carried on the more important stations which were placed under his control, and being unable in any place to work in harmony with the public. One hundred and fifteen pounds were spent in enlarging the residence at Bauhinia Downs to meet his family's requirements, and £20 were also spent on the office. Mr. Gavegan presents the appearance of a healthy and well-nourished man. I am of opinion he is either a persistent malingering or a confirmed hypochondriac; perhaps he has qualities of both. He has a wife and nine children, but his conduct on this occasion, and his general behaviour as a public servant, gathered from official papers, is such that I see no course open but to recommend his enforced resignation.

As a consequence of that report by the Board of Inquiry, Mr. Gavegan was requested to resign. That he flatly declined to do, and said that he would throw upon the Department the onus of dismissing him, adding in effect, "If you dismiss me, I will serve you with a writ claiming £5,000 damages."

Senator Col. NEILD.—Did he keep his word?

Senator KEATING. — Not to the figure, but he served the Commonwealth with a writ claiming £3,000 damages. He was dismissed in March, 1903; and in July, 1905, he claimed £3,000 damages

for wrongful dismissal, and £84 for allowances and arrears of salary. The matter came before a Judge and jury in Brisbane on the 30th November, 1905. The trial occupied altogether sixteen days. Hundreds of exhibits were put in evidence, and a list of no less than twenty-seven questions was submitted to the jury. Judgment was given in favour of the Commonwealth. But the plaintiff appealed to the Full Court. The appeal was heard on the 15th and 17th June, 1906, and resulted in an unanimous dismissal. In the course of his judgment, the Chief Justice remarked that the amount of time wasted over the case was greatly to be deplored. So much for Mr. Gavegan's case. I have said that there were hundreds of exhibits. I draw attention to that fact again, because after I have dealt with Mr. Hart's case, I shall have to allude to it once more. Hart's case was in some respect similar to Gavegan's, and in some other respects its features are peculiar. Hart was appointed an officer of the Post and Telegraph Department as far back as 1888. The case, so far as he is concerned, is contained in a pile of papers, which is of immense proportions, and the printing and collating of which would involve a considerable expenditure of time and money. Hart served in the Department for a number of years without inviting any particular attention. But after he had been there some time, he fell into the habit of writing on all and every occasion—apparently inventing occasions for writing—to his superior officers. The letters which he forwarded were not at all characteristic of the communications that usually pass from a junior officer to his superior. In many instances he gave his superior officers advice as to how they should perform their duties.

Senator STEWART.—Perhaps they needed it.

Senator KEATING.—They may have, but it was not a proper course for him to follow. In addition to that he made repeated applications for increases of salary.

Senator Col. NEILD.—Is that a crime under Commonwealth law?

Senator KEATING.—It is very common, but his accompaniments to such applications are not, fortunately, so common in the Public Service. When Hart found that he could not get the increases of salary and the promotion to which he considered

he was entitled, he conceived that there were some secret influences operating against him, and he wrote fully and frequently on the subject. Later, when he was ordered to be removed to Bundaberg, he complained that the removal was due to some undercurrent, and that some one was constantly plotting against him.

Senator TURLEY.—Did he go to Bundaberg?

Senator KEATING.—He did not. Although he was ordered to be removed there, he did not go. He continually wrote to the Department reiterating that secret malice was being used against him on the part of persons unknown to him. Early in 1903, after this Parliament had passed the Public Service Act, a ballot-paper was sent to every officer in the Public Service to enable him to vote for the appointment of the divisional representatives. The regulations had not then been framed in regard to the particular divisions for which particular officers should vote, and the Chief Officer in each State, pending classification, was left to decide in what division the officers subject to him should vote. Hart was appointed to vote in the general division. Accordingly, he received a general division ballot-paper. But he sent it back saying that he ought to vote either as an administrative officer or a clerical division officer. When it is remembered that the administrative officers include only the heads of Departments, one can see at once that this demand on the part of a travelling mail officer was something extraordinary. He actually claimed the right to be placed among the heads of Departments!

Senator STEWART.—The Department did not deal with him on that ground.

Senator KEATING.—The Department dealt generously with him. It subsequently remitted for the Crown Solicitor's consideration his claim in respect of being entitled to vote in the clerical division, but it was decided that he should come in as an officer of the general division. So far, he was treated most generously, and very little notice was taken of his peculiar conduct. In November, 1903, he wrote a most extraordinary letter to the Chief Officer, which is referred to by the Public Service Commissioner in these terms—

He wrote a most extraordinary letter to the Chief Officer, recounting a certain dream in which snakes and Post Office string become inextricably entwined, and which, in his opinion,

was a premonition of some vile conspiracy in which his official destruction was sought.

Later on, his case, after it had been inquired into by different tribunals under the Public Service Act, came eventually before the Supreme Court. With regard to this particular letter, the Chief Justice of Queensland in Full Court said—

How on earth a man, who writes a letter of this sort, can hope to continue in the Public Services passes my comprehension.

Eventually the man was given a position in the Brisbane Post Office, and it proved that, so far as discipline was concerned, he knew none of it. He suited himself as to what time he arrived at the office, and what time he left, and absolutely disregarded an instruction that he was not, without permission, to leave the building for lunch. Mr. Justice Chubb, in reference to this conduct, said, during the hearing of the case, in the Supreme Court—

All I can say is that if you were in my service, and it was not agreed that you should go out for lunch, and you then went out without my permission, you would not stay in my employ for ten minutes, no, not for five minutes.

The Public Service Commissioner, in his report on the case, said—

He turned up late for duty, and desired to fix his own breakfast and luncheon hours, irrespective of existing departmental arrangements or the public convenience. He was suspended on 6th January, 1904, and charged with wilful disobedience of a lawful order, which charge, on 9th February, 1904, was found by a Board of Inquiry to be sustained, as a result whereof he was reduced £8 per annum, with a change in designation to that of Assistant, his transference to Bundaberg being at the same time sanctioned by the Governor-General on 6th April, 1904, to take effect from 2nd March, 1904.

In anticipation of the approval of this recommendation by the Governor-General, the Secretary to the Postmaster-General, through the Deputy at Brisbane, or rather the latter, on the 21st March, 1904, apprised Hart of the decision which had been arrived at, and directed him to proceed to Bundaberg. At that time, Hart was under suspension, and the action by the Deputy Postmaster-General was taken in order that the man should not be kept longer than absolutely necessary in that position. Knowing that Hart was under suspension, the Secretary to the Postmaster-General sent this notification so that Hart might be informed and be prepared to be at Bundaberg almost at the time the Governor-General approved the recommendation, and in this way have his

period of suspension lessened. Hart, although this was done to help him, took advantage of the fact that this notification was given before the formal approval by the Governor-General; and the Commonwealth authorities, by reason of the informality, had to proceed *de novo*. Fresh action was accordingly taken under the Public Service Act to effect the transfer; and on the 8th July, 1904, the Governor-General approved of a recommendation dated the 22nd June, to remove Hart from Brisbane to Bundaberg. Hart again refused to go, and alleged that the order was illegal. The Law officers advised, for extra caution, that it would be as well to allow Hart to appeal against the transfer if he so desired. Hart took advantage of the opportunity offered, and on the 14th November his objection was heard by a Board of Appeal, which recommended that the appeal should be disallowed, and that decision was duly confirmed. Finally the Governor-General ratified the transfer on the 13th December, 1904. Hart, however, still refused to go to Bundaberg; and, in accordance with the law he had to be again suspended, and charged before another Board of Inquiry. Although Hart absolutely declined to go to Bundaberg, and had been so declining from March of that year, still, in order to comply with the law, another Board of Inquiry had to be appointed to report on the alleged refusal by Hart in December. That inquiry was not held until February, 1905, when the Board unanimously found the charge to be sustained; and as a result Hart was dismissed the Service. He then took action against the Commonwealth; and honorable senators have already heard the remarks made by the Chief Justice of Queensland and Mr. Justice Chubb, who determined the question in Brisbane. Commenting on the conduct of Hart, the Public Service Commissioner in his report said—

From a perusal of the departmental papers, I have no hesitation in saying that Hart was one of the most unmanageable officers that have come under my observation. His conduct throughout was highly refractory and contumacious, and, as his letters to his superiors show (including also communications to the Governor-General), he exhibited an insolence unparalleled. As the Chief Justice aptly remarked, he was an officer who claimed to interpret the regulations in his own way, and to have them administered in his own way, and, failing this, to sue for damages; and an officer who also would have the last word.

Hart was not satisfied to sue the Commonwealth for £3,000 for wrongful dismissal, but sued for £5,000, and also for £198 allowances and arrears of salary. These proceedings extended over something like eight months, during which all the records and correspondence relating to the plaintiff from the date of his first appointment to his dismissal, a period of seventeen years, had to be made the subject of research and critical examination by the Department, and submitted to the Crown law authorities to be perused, annotated, and briefed. The hearing commenced in March last, and, after occupying no less than twenty-one days, ended in favour of the Commonwealth. As honorable senators will see, this man's case has been before more than one tribunal. It has not only been made a question for determination by Judge and jury, and a matter of appeal, but it has also been made the subject of exhaustive and careful investigation by three Boards of Inquiry and one Board of Appeal. When Senator Stewart suggested that it is quite possible justice may not always be done in Courts of Justice and Courts of Law, I endeavoured, by way of interjection, to remind him that the matters in question had already been dealt with by Boards under the Public Service Act. In every one of those inquiries, from that of the lower tribunals of the Public Service right up to the Supreme Court and the Full Court, Hart has had his claim investigated, and in every instance the determination has been against him.

Senator Sir JOSIAH SYMON.—Was there an appeal in Hart's case to the Full Court.

Senator KEATING.—Yes.

Senator STEWART.—Hart makes very serious charges against the Department.

Senator KEATING.—As the papers show, Hart has not only made very serious charges against different officers, but he has for years been inundating his superiors with complaints that his promotion has been blocked, and his increases of salary prevented, by secret, maligning, and malicious influences operating against him from sources that he could not clearly indicate.

Senator MILLEN.—It would be better, for his own sake, to be out of a service where he is so treated.

Senator KEATING.—Exactly. What the motion asks is that all the papers in possession of the Department with regard to these two cases shall be laid upon the table of the Senate and printed.

Senator TURLEY.—There would be no harm, would there, in tabling the papers?

Senator KEATING.—I am just coming to that point. If there were to be tabled simply the papers in the possession of the Department, they would not give honorable senators sufficient information to enable them to judge correctly. Some of the letters which have been written by Hart to his superior officers would, in many instances, if read by themselves, cast very grave and serious reflections on the administration of the Department. They contain implications and insinuations which could only be properly answered, and the worth of which could only be properly estimated, by a consideration of other papers which are not in the possession of the Department. In order to enable honorable senators to fully appreciate the importance of all the unfounded charges made against the Commonwealth, it would be necessary to have a full copy of the evidence taken in the proceedings in Brisbane, and also reports of the remarks made by the learned Judges who tried the cases primarily and on appeal. These, of course, would not be contained amongst the papers indicated by the motion. I think I can meet Senator Stewart by agreeing to support the motion, or, at any rate, offering no opposition to it, if he will so amend it as to direct that, not only the official correspondence, but also all available records of the proceedings, such as the reports of the hearing in Queensland, be collated and laid on the table of the Library.

Senator PEARCE.—What would it cost to collate the papers?

Senator KEATING.—I do not know that the collating would be very expensive, but a good many are. I think, at present in the hands of the solicitors in Brisbane.

Senator Sir JOSIAH SYMON.—Will the Minister indicate what earthly good object would be served by the course he suggests?

Senator KEATING.—I make the suggestion only because I want to disabuse Senator Stewart and the two men concerned, along with any sympathizers they may have here or elsewhere, of any mistaken idea that the Government desire to shirk publicity.

Senator Sir JOSIAH SYMON.—There seems to have been plenty of publicity.

Senator KEATING.—When an honorable senator moves a motion that papers shall be submitted for the consideration of

honorable senators, the Government do not desire to prevent his object being achieved. The wishes of Senator Stewart, and others who may feel that these men have laboured under systematic injustice, will be met if the course I have suggested be taken. If there are, then, any particular papers that Senator Stewart would like to have printed he can make them the subject of a further request or motion. If Senator Stewart will amend his motion in the way indicated, the Government will offer no opposition; but I do not think the Senate should support a request that all these letters written over a period of seventeen years by an officer who evidently suffers under an unfortunate delusion, should be laid on the table and printed. If such a motion were passed, the door would be open to a number of similar requests in the future, and, under such circumstances, it is undesirable to increase our heavy printing bill. If Senator Stewart will fall in with my wishes, I shall see that he is given access to all the papers in the case, and then, as I have said, if there be any that he desires more particularly brought under the notice of Parliament and the public by having them printed, he may make them the subject of a separate motion or request.

Senator Sir JOSIAH SYMON (South Australia) [3.15].—No one can gainsay the desire expressed by the Minister that any member of the Federal Parliament interested in any matter affecting the Public Service should have free access to all documents connected therewith. But I think that, instead of placing on the records of the Senate a motion in connexion with this matter, it would be equally efficacious and more in conformity with the usual practice if Senator Stewart were to withdraw his motion and accept an assurance which I am satisfied Senator Keating will be prepared to give him, that all the papers in these cases which are available will be collected and left open to his inspection in the Library or some other convenient place. I make that suggestion because I object to a motion of this kind being carried in any shape. There is a very important principle involved in this. We are all interested in cherishing the great function of every British Parliament to take care that all grievances affecting the Public Service shall be freely ventilated and receive redress where that is found to be necessary. But that great function is very apt to be weakened if we seek to apply it in mistaken direc-

tions or in inappropriate cases. There is one great means for the redress of grievances of which men may freely avail themselves in this country, and that is by seeking the aid of a Court of law. Senator Stewart laughs at that.

Senator STEWART.—No wonder.

Senator Sir JOSIAH SYMON.—The honorable senator may be one of those who think that—

The good old rule, the simple plan,
That they should take who have the power,
And they should keep who can

should be the rule followed, and that appeals to Courts of justice should be swept away. I make no appeal by way of argument to the honorable senator, or to any one who takes such a view; but I say that so long as we have Courts established for the administration of justice, we should secure that their reputation shall be kept above reflection. Persons who have recourse to them in the ordinary way should certainly not be encouraged to bring their cases subsequently before Parliament, which is a most incompetent tribunal for the decision of such matters. I know nothing whatever of these cases, except from what Senators Stewart and Keating have said.

Senator STEWART.—That is very evident.

Senator Sir JOSIAH SYMON.—But I know enough from the remarks which Senator Stewart made when moving this motion to enable me to say that the object of the motion is practically to bring the decisions of the Courts in Queensland that have dealt with these cases under the review of the Senate. The motion asks for the production of all the papers, and also of the questions submitted to the jury in these cases, numbering twenty-seven, according to what Senator Keating has said.

Senator KEATING.—And with sub-questions, numbering about fifty.

Senator Sir JOSIAH SYMON.—The learned Judge put to the jury twenty-seven questions, with a great number of sub-questions, amounting altogether to fifty, and it is the tail of Senator Stewart's motion requesting the production of these questions which indicates the purpose of the motion. The honorable senator does not usually do things without some object, and his object in this case is clearly to invite the Senate to constitute itself a High Court of Appeal from the decisions not merely of the Judges who tried these cases with juries, but of the Appeal Courts,

who reviewed those decisions, and also of, I do not know how many, departmental or Public Service Boards, that had the same matters under investigation. It would be an intolerable farce that such a thing should take place. It would be degrading the functions of the Senate to entertain such a proposition for a moment. There may be cases in which the expressions of Judges should be brought under the review of Parliament. It has been done before, and may be done again, but the honorable senator who says that the judgment of the Courts of law should be brought under the review of the Senate should give some very good reasons for adopting that course.

Senator STEWART.—I said nothing of the kind. The honorable and learned senator is talking without his brief now.

Senator Sir JOSIAH SYMON.—There may be instances in which it would be proper for Parliament to review those things, but when Parliament is asked to take such action, it should be only upon some strong foundation. The Senate should not be asked to constitute itself a court of review of the decisions of the Law Courts to which these civil servants appealed.

Senator KEATING.—It was in Gavegan's case that the Judge put twenty-seven questions to the jury. In Hart's case thirty-two questions were put to the jury.

Senator Sir JOSIAH SYMON.—The request in the tail of Senator Stewart's motion for the production of these questions, sufficiently indicates what the honorable senator's purpose is. Unless he has some such purpose in view, the laying of the papers on the table of the Senate must be an utterly useless proceeding. We certainly do not desire to have anything more to do with them, until some proof is given that the Courts which have dealt with these cases have done something, I will not say corrupt, but of an improper character requiring investigation. There is another matter to which I direct the attention of the Senate, and that is that we have a Public Service Commissioner. An attempt has been made, by statute, to remove the Public Service of the Commonwealth from the reach of political influence. That is an additional reason why we should not lightly, or at all, unless in some very grievous case, interfere in matters affecting the discipline of the Public Service. We have heard from

the Minister what took place in connexion with the officers in question. I shall not sit in judgment upon them. Their cases have been dealt with judicially already, and it is abundantly clear in Hart's case, at all events, that that unfortunate officer, owing, it may be, to delusions or some affliction for which he is entitled to all our sympathy, had been guilty of gross defiance of every rule of discipline in the service. Whilst we may sympathize with him in respect to the cause of his action, we should be wanting in a sense of what is due to the Public Service Commissioner and to ourselves if we agreed to re-investigate his case again in the Senate. These officers have prosecuted suits for wrongful dismissal, for which they claimed very high damages, one claiming £3,000, and the other £5,000, and no one can suggest that there was not in the case of each of them a most complete investigation.

Senator TRENWITH.—There was a jury in each case.

Senator Sir JOSIAH SYMON.—That is so, and in Gavegan's case the trial lasted for sixteen days, during which all the ability of the Judge was carefully applied to the case, and to such an extent that in order to unravel its intricacies, and that every issue should be put to the jury, he submitted to them some fifty questions and sub-questions. Are we, on the motion now before the Senate, to re-investigate the whole matter? It is an idle proceeding in every sense of the term. I hope that Senator Stewart will be content with an assurance from the Minister that he shall have access to the whole of the material available either in the Library, the Attorney-General's office, or the Public Service Commissioner's office.

Senator MILLEN.—During the recess?

Senator Sir JOSIAH SYMON.—I do not know when the honorable senator's investigation would take place. Letters such as that about snakes being mixed up with red tape we have heard of before. Such complaints are but the natural harvest which follows when a servant has been discharged. It is usual always to take the statements of discharged servants with a discount, or at least as requiring careful investigation, and particularly the statements of a discharged servant who has also been defeated or has been an unsuccessful suitor in the tribunal to which he has gone for the redress of

his grievances. I hope that Senator Stewart will withdraw the motion, and that Senator Keating will convert his suggestion into an assurance that Senator Stewart will be given every opportunity to inspect all the documents available.

Senator STEWART (Queensland) [3.29].—It is very evident to me from the speech just made by Senator Symon that the honorable and learned senator listened neither to my few remarks in moving the motion nor to the speech of Senator Keating in discussing it. Yet the honorable and learned senator was able out of the wealth of his ignorance to talk fluently on the subject for a few minutes. I distinctly pointed out in moving the motion that my object was to discover if possible how it came about that a man who, according to the documents read by Senator Keating, was notoriously insolent and insubordinate not on one occasion, but over a period of years, and who was looked upon in the Department as a lunatic, came to be kept in the service for such a long period, and how, after he was suspended, the Department was actually compelled to pay him £165 as salary. If the position is not clear enough to honorable senators now, I do not know what would make it clearer. Here is a man who, now that he has been bounced out of its service, is branded by the Department as a lunatic, as an insolent individual, as a man who would not obey orders. Not only did they keep him during a period of seventeen years, but they removed his suspension time after time during a period of twelve months, and paid him £165 as salary when he had not earned a single farthing, or done any work.

Senator Sir JOSIAH SYMON.—The honorable senator's complaint is that they were too lenient and forbearing.

Senator STEWART.—It does not matter what I think about the case. There must be something radically wrong in a Department where such a state of things is possible, and I want to find it out if I can. Senator Keating omitted one very important matter in connexion with Gavegan's case. The man had a family of nine children—

Senator TRENWITH.—The Minister mentioned that.

Senator STEWART.—The Minister mentioned that fact, but he suppressed a very important piece of information. The man, although he had a family of nine children, was sent to a station known as

Bauhinia Downs, where there were only two rooms, namely, one in which he had to do the business of the office, and another in which he with his wife and children had to herd like dogs. Was it fitting on the part of any Government Department to send a man to a station of that character?

Senator KEATING.—That information comes to me for the first time now.

Senator STEWART.—It is the truth.

Senator KEATING.—I told honorable senators that £115 was spent on the residence to make it ready for him, and £20 on the office.

Senator STEWART.—Yes; but that was done a considerable time after Gavegan was sent to the station. He had nine growing children, but there was no school or accommodation, except a single room. Such treatment was simply scandalous. The probability is that the man was deliberately hunted out of the service by some of the men who are now in it. We hear a great deal about Hart's misdemeanour, spread over a period of years. Why was he not dismissed long ago? Why was he kept in the service over such a long period? The turning point of the whole thing was his action in leaving the office to get his luncheon. It is distinctly provided in the Public Service Act that a public officer in the clerical division shall get three-quarters of an hour for his lunch! Surely a man has a right to his lunch! How is it possible for any man to maintain himself in efficiency as a working machine unless he gets a decent lunch? The man who was his overseer—Mr. Colling, I think—is in the habit of insisting that every man under him shall take his lunch in the building. That is a position which he has no right to take up. Every man has an inherent right to his dinner, and to get it where he pleases.

Senator Sir JOSIAH SYMON.—It is not so much an inherent right as an internal right.

Senator STEWART.—This may be a laughing matter to a number of honorable senators, but it is not so to a large section of the community, who are not blessed with stomachs like ostriches. Nothing will produce dyspepsia so quickly as getting one's meals at irregular times, and getting badly served or reheated meals. If a man gets dyspepsia, his working capacity is, to a very large extent, impaired. It is not only the right, but the duty, of every

man to get his meals at a regular time every day, and as comfortably as he possibly can. That was all that Mr. Hart did. But Mr. Colling, a servant of the Department, like himself, said, "You shall not. I insist upon you staying inside and taking your lunch here like the others"; and, of course, Hart had to go down before the stone-crusher of the service.

Senator KEATING.—The honorable senator must not forget that he refused to work on many occasions, except when he pleased. He refused to work on Christmas Day.

Senator STEWART.—I do not believe a single word of the statement.

Senator KEATING.—It was because he was dismissed that he took action against the Commonwealth.

Senator STEWART.—The statement bears the stamp of falsehood on its very face. Does the Minister tell me that if a man goes into a public office when he pleases in the morning, goes out when he pleases, and only works when he pleases, he will be kept there?

Senator KEATING.—It is because we have such a cumbersome way of dismissing public servants in such cases. We have to go through boards of inquiry, boards of appeal, and all kinds of procedure.

Senator STEWART.—If that be the case, it provides the strongest argument for my motion. It shows clearly that this public Department is a sink of incompetency—that it thought fit to keep a man who was insolent and insubordinate, to wink at his coming in an hour or two late in the morning, to wink at his going out early in the afternoon, and to wink at whatever he did. Why, sir, this discloses a most extraordinary state of things. The necessity for carrying the motion appears to be clearer and clearer as we proceed. I am quite willing to agree to what Senator Keating suggested, and, therefore, I move the omission of the words "and printed."

Senator PEARCE.—Why not withdraw the motion?

Senator STEWART.—I have an objection to withdrawing it.

Senator KEATING.—Why not move that the papers be laid upon the table of the Library?

Senator Sir JOSIAH SYMON.—No, withdraw the motion.

Senator STEWART.—I object to withdraw the motion.

Senator KEATING.—Then, I shall ask the Senate to vote against it.

Senator STEWART.—If the Minister does that, I shall have to take another step.

Senator KEATING.—The honorable senator has obtained all he wants.

Senator STEWART.—I desire to get a record of the motion in the *Journals* of the Senate. I am willing to meet the Government half way.

Senator PEARCE.—But if the honorable senator is getting all he wants, why does he object to withdraw the motion?

Senator STEWART.—We should have no record of the motion in the *Journals*.

Senator PLAYFORD.—There will be a record in *Hansard*.

Senator STEWART.—What is the objection to having a record of the motion in the *Journals*?

Senator KEATING.—If the papers are laid upon the table of the Senate, they will become its property. They might be wanted in connexion with the Department.

Senator STEWART.—I ask leave to amend the motion by leaving out all the words after "the" in the last line, and inserting the word "library."

The PRESIDENT.—The question is that leave be granted to Senator Stewart to amend his motion.

Senator MILLEN.—Is this in the nature of an amendment, sir?

The PRESIDENT.—No; it has to be done by unanimous consent. Any honorable senator can object to leave being granted, but he cannot speak.

Senator MILLEN.—If it is not an amendment to which I can speak, I must object.

The PRESIDENT.—Then the amendment cannot be made.

Question resolved in the negative.

CANTEEN BILL.

SECOND READING.

Debate resumed from 2nd August (*vide* page 2217), on motion by Senator PULSFORD—

That the Bill be now read a second time.

Senator DOBSON (Tasmania) [3.42].—When the Defence Bill was before the Senate in 1903, I supported Senator Barrett in trying to insert a clause to the effect that the sale of intoxicating drink should be prohibited in canteens. In the interval, I have seen no reason to alter my opinion that about the best thing we can do for our soldiers is to take that step. I

have, therefore, risen to support this Bill as earnestly and forcibly as I can. In the first place, I desire to refer to a return which the Minister of Defence has tabled so that we may see to what extent the evil has grown. It shows that the average number of men quartered at the Victoria Barracks, Sydney, and other barracks of permanent troops during the past year was 723, and that, last year, of that number thirty-seven men were reported for being drunk in barracks.

Senator Col. NEILD.—But only eight in connexion with canteens.

Senator DOBSON.—Only eight of these men were reported as having received drink in barrack canteens, and twenty-nine of them were reported as having received drink outside the canteens. How does Senator Neild think that the return helps his case? In 1903, we were promised over and over again by the then Minister of Defence that the canteens would be properly regulated under military discipline, and that it would be quite impossible for any man to get too much liquor there.

Senator Sir JOSIAH SYMON.—But eight is a very small proportion.

Senator DOBSON.—It is only "a little one," I know, but still, under perfect regulations, we find that in connexion with the canteens eight men were reported as being drunk. I should like to call attention to the twenty-nine men reported to have received drink from outside sources, and to ask the Minister of Defence whether he will venture to say to what extent the canteens were responsible for those men getting drunk. He said that they might have had half-a-dozen glasses outside. These returns are not worth the paper they are printed on for the purpose of those who are opposing the Bill, but they throw a great deal of light upon the system of introducing wine, beer, and spirits into the midst of a soldiers' camp, and encouraging the men to become drunkards. The next return that I hold in my hand is exceedingly valuable as showing the extent of the mischief which some of us want to stop. It appears that in Victoria Barracks, Sydney, 278 men drank no less than £479 worth of liquor, or £2 worth each, during the year. At Middle Head, 31 soldiers drank £5 worth per head. At South Head, 55 soldiers spent about £5 each in drink. At Bare Island, 7 soldiers spent £6 each. At

George's Heights, 30 spent £10 each. In Victoria, 91 men at Queenscliff spent over £5 each. At Victoria Barracks, Melbourne, 72 men spent over £11 each.

Senator PLAYFORD.—That figure is accounted for by the large number of men who go to the barracks, but do not belong to the Permanent Forces.

Senator DOBSON.—At Franklin, 25 men drank £6 worth of liquor each; and at Nepean, 11 men drank £11 worth of liquor each. At South Channel, 6 men spent £9 each at the canteen. At Swan Island, 45 men spent £13 each. In Queensland, at Victoria Barracks, Brisbane, 70 men drank over £4 worth each. At Lytton, 15 men spent £13 each. At Townsville, 17 men spent £9 each, and at Thursday Island, 81 men spent £6 10s. each. In South Australia, at Fort Largs, 23 men spent £3 each. In Western Australia, at Albany, 30 men spent £12 each. In Tasmania, where we do not appear to have canteens, the amount is *nil*. I find that £4,782 was spent by 887 men, being an average of over £5 for each man. If we look at the statistics of New Zealand, and other places where the facilities for drinking are decreasing, we find that the average consumption is far below the figures which I have quoted. In New Zealand, the drink bill for 1905 declined by £132,000, or £2 os. 8d. per head, although the population was increased by 25,000. In Canada, the drink bill for the year 1904 was £2,600,000, with a population of 5,000,000, whereas in Victoria, where there are 1,400 hotels more than are necessary to supply the needs of the people, the expenditure on drink was £4,200,000, which comes to about £7 17s. 11d. for each family. For the whole Commonwealth the drink bill is £13,463,000, or £3 8s. 1d. per head. So that, owing to our unwise practice of allowing drink to be introduced for the use of soldiers in their camps, canteens, and homes, their consumption is far above that of the average of Australian, New Zealand, and Canadian citizens.

Senator STYLES.—But the honorable senator must remember that soldiers are all adult males.

Senator DOBSON.—The reasons why I support this Bill are, first, that I am totally opposed to giving our soldiers, who are comparatively young men, facilities for

drinking. The statistics show that where ever facilities for drinking are given, the consumption of drink increases, crime becomes more rife, and the police have to be augmented. Another reason in favour of it is that the Bill seeks to discourage drinking amongst our soldiers, whilst those who are opposing it are, I say most distinctly, guilty of encouraging drinking amongst them. Senator Turley and Senator Neild seemed to take no account of the great temperance movement, which is almost the most important movement in the world to-day. I did not gather that Senator Neild had even a glimmering of the fact that there was a temperance movement.

Senator Col. NEILD.—The honorable senator should not be so silly!

Senator DOBSON. — I did not gather from him, with his handful of telegrams and letters from officers, that any one of them had a glimmering of an idea of the dimensions of the temperance movement, either in the Commonwealth or elsewhere.

Senator MILLEN. — Has the temperance movement attained to those dimensions in places where regulation has been attempted, or where prohibition has prevailed?

Senator DOBSON.—It has taken place under all systems; but there can be no doubt that in New Zealand particularly the temperance movement is spreading. Whilst people are becoming more sober, crime is decreasing, and the consumption of drink is being diminished.

Senator Sir JOSIAH SYMON.—Is not just as much liquor sold in New Zealand now as ever?

Senator DOBSON. — Unless honorable senators will take account of the fact that the temperance movement is spreading, they will never view this matter from my standpoint. The next reason why I support the Bill is that it is most important to remember that we shall have in our camps and barracks numbers of young soldiers. We hope to have numbers of senior cadets, who will be trained to be soldiers there. Do we wish to allow drink to be brought before these young men, so that they will be corrupted and brought to disaster? On account of the young men, therefore, I support this Bill. I have not the slightest belief in a great part of the evidence which Senator Turley quoted, because it came from a land for which I have very little respect in regard to some matters. When

we consider the drink traffic in America, we must remember that we are dealing with men who will sell their very souls and murder people for the sake of drink.

Senator TURLEY. — Does that apply to officers of the United States army?

Senator DOBSON.—It does not apply to officers, but it does apply to the habitués of the dives or low saloons which are allowed to be established outside the barracks.

Senator Col. NEILD.—That has happened since the canteen system has been done away with.

Senator DOBSON.—I will read some evidence on that point from newspapers which support the temperance movement, and which contradict almost everything that Senator Turley read to us. Of course, if we look at this matter from the standpoint of a man who is fond of drink, we may come to a certain conclusion.

Senator MILLEN.—Is it fair to suggest that those who support military canteens are fond of drink?

Senator DOBSON.—If we look at it from the point of view of the man who thinks that every one should be free to drink as much as he likes, naturally we shall oppose the Bill. But I do not look at it from that standpoint.

Senator MILLEN.—That is not a fair way to regard it.

Senator DOBSON.—I regard this Bill as far more important than the Anti-Trust Bill, over which we are likely to spend weeks. Let me quote a passage from Major-General Miles, who says—

In this most important hour of the nation's history, it is due to the Government from all those in its service that they should not only render their most earnest efforts for its honour and welfare, but that their full physical and intellectual force should be given to their public duties, uncontaminated by any indulgence that shall dim, stultify, weaken, or impair their faculties and strength in any particular.

We are considering this matter at a very important time in our history, and it is of the utmost consequence that we should not take a step which will have a most injurious effect upon the moral and physical welfare of our soldiers. I shall support the Bill for the protection of our citizen army. As to the American opinions which Senator Turley quoted, I wish to read an extract from a newspaper called the *Union Signal*. The article is headed "Abolish the Dives," and it expresses the opinion of an officer

who has been in half the military posts in the United States—

The claim that the low dives and drinking places in the vicinity of our military posts developed subsequent to and because of the abolishment of the canteen, is not correct so far as pertains to any post at which I have ever been stationed. These places existed before the days of the canteen, and during its existence, just as they are to-day, and just as vile. Let the citizens outside the reservations properly police their slum districts, enforce the law against the lawless, cease granting licences to low dives, and there will be no trouble about disorderly soldiers. So long as this is not done the lowest class of enlisted men will seek the congenial companionship found only outside the reservation, whether beer is sold on the reservation or not. The condition is one created by the citizen and not by the soldier, who is a mere incident, and in my opinion he cannot be improved by any attempt to assimilate, on the reservation, any part of the dive system.

Senator Neild told us that if we drive the drink out of the canteens the men will go outside to get it. Does he imagine that, if Parliament passes this Bill, we are going to allow hotelkeepers to get licences to establish their drinking places just outside our camps and barracks? I never heard such nonsense!

Senator Col. NEILD.—That remark simply arises from the fact that the honorable senator is talking about something of which he knows nothing.

Senator DOBSON.—I know that the Temperance Party have had a great victory in New South Wales, and that such results as Senator Neild predicted in connexion with canteens have not followed under the new licensing law of that State. Senator Neild does not seem to understand the development of the temperance movement in the mother State, where, under the new Act, it would be impossible for the conditions which Senator Neild foresaw to arise.

Senator Col. NEILD.—I did not state what I foresaw, but what I know.

Senator DOBSON.—The honorable senator cannot possibly know what the licensing authorities of New South Wales will do, or where camps may be placed in the future.

Senator Col. NEILD.—Then how does the honorable senator know?

Senator DOBSON.—I do not know. I know, however, that the Licensing Benches are not likely to run counter to the Licensing Act which has just been passed, and which represents a great stride in the direction of temperance.

Senator STYLES.—Was it an American publication from which the honorable senator quoted?

Senator DOBSON.—Yes.

Senator Col. NEILD.—Just now Senator Dobson said he would not believe what was said in America.

Senator DOBSON.—What I do not believe is the evidence which comes from those interested in the drink traffic, which, like the trusts in the United States, is carried on by the aid of much corruption.

Senator Col. NEILD.—The honorable senator is making a reference which has no basis in fact. The evidence I quoted was that of officers high in the American Army, and not that of persons interested in the drink traffic.

Senator DOBSON.—I have here a quotation which speaks of a typical garrison town in the United States—

The mayor of Highwood is a saloon-keeper, and the town is notorious as a resort for vicious characters, civilian as well as soldier. Conditions at Highwood are simply a duplicate of those in any small town which licenses an unlimited number of saloons and offers every inducement to drunkenness and other vices on the part of the men who are residents or regular visitors. Again quoting Colonel Ray, "the soldier is a mere incident" in the case, and the all-knowing newspaper representative must needs put up a better argument for the sale of liquor in the post exchange, or revise his present statements in accordance with facts.

I gather from that, and dozens of other quotations, that in many places in America the saloons far outnumber the requirements of the people, and that they are frequented, as we are told, by low people, soldiers as well as civilians. I quite understand the argument presented by Senator Turley and Senator Neild; but these gentlemen seem to forget the temperance movement. Our desire is to encourage temperance, not only inside the barracks, but outside; and to that end efforts are being made to get rid of hotels, and not allow low saloons to be opened at every street corner.

Senator FINDLEY.—What have low saloons to do with canteens?

Senator DOBSON.—I am replying to the argument that if the canteens are closed the soldiers will be driven to the saloons outside the barracks, and I am showing that the conditions which prevail in America cannot prevail in the Commonwealth. Surely that is a plain argument?

Senator Col. NEILD.—It is an assertion, not an argument.

Senator DOBSON.—Another Military Commandant says—

A Department Commander stated to the Secretary of War that "saloons and low dives have sprung up like mushrooms around army posts since the canteen was abolished."

Senator Col. NEILD.—That is just what we say.

Senator DOBSON.—The quotation proceeds—

While, for instance, at Fort Thomas, the post at which I last served, when the law abolishing the canteen went into effect, there were nine saloons adjacent to the post, at the time when the report just referred to was made that "saloons had sprung up like mushrooms," there were only seven.

The claim that the law has had a fair trial is equally misleading. It was contemplated that the post exchange would continue to render its useful service, and be supplemented by gymnasiums, libraries, &c.

The writer goes on to say—

The lessons of the late war between Japan and Russia point conclusively to the doctrine of total abstinence for officers and men in armies and navies. Many officers in our last war urged total abstinence. The safe rule for our army now, and for all the future, is the encouragement by every possible means of the practice of total abstinence from the use of intoxicating liquors.

Senator MILLEN.—Would the honorable senator make total abstinence a condition before enlistment?

Senator DOBSON.—No, but when we have hotels and public houses at every corner, far outnumbering the requirements of the people, I see no necessity to open others in barracks. I see no necessity to create drinking places at Christmas or Easter camps, which are attended, not by old men, but middle-aged and young men. The man who would encourage drinking at those camps is not taking a wise view for the Commonwealth.

Senator TURLEY.—No one is endeavouring to encourage drinking either inside or outside camps.

Senator DOBSON.—I am trying to show that in order to attain the object we have in view, we must not be content to rely on legislation relating to canteens, but must pay some attention to the regulation of ordinary drinking shops. In this connexion every State is taking part in the reform. Liquor has been abolished from canteens in America, and my authority goes on to say—

An effort is being made in many States to secure, through their legislatures, a limit law, prohibiting the sale of liquor within one, two,

or three miles (five miles is better still) of an army post.

The object of the law in America is to abolish drinking in barracks, and to take care that there shall not be a public house within a mile or two of the gates. Some honorable senators seem to take it for granted that the temperance people desire silly reform inside the barracks, while doing nothing to abolish the drinking evil outside. This publication goes on to say:—

. . . The contention that low dives have sprung up since the closing of the army saloon is not true. They have always been there, and have flourished because of their location, for the man who starts with beer, ends on whisky; and the more men drinking beer, the more patronage for stronger drinks. As an instance, when the beer was taken out of the army, there were nine low dives adjacent to Fort Thomas, Ky.; now there are seven. At Fort Meyers, Va., just across the Potomac river bridge from Washington, were a number of these vile places, which the soldiers were compelled to pass every time they went over to the city, and some of the men, knowing they were a constant menace, started a petition among themselves, with the result that Judge Nicol, of Alexandria County, Va., refused every one of the eleven applications for license, thus closing all of the dives in proximity to the post.

Senator TURLEY. — Whose evidence is that?

Senator DOBSON.—It is the evidence of an officer.

Senator TURLEY.—What is his name?

Senator DOBSON.—The name of the officer is not given.

Senator TURLEY.—We gave the names of all our authorities.

Senator DOBSON.—What I have read answers every single word of the evidence laid before us by Senator Turley and Senator Neild. Cannot we bring about a similar state of affairs in Australia? Are we to everlastingly perpetuate all the vices the race is heir to? Are we to make no attempt to get rid of drinking and gambling?

Senator TURLEY.—Has the Federal Parliament any power to interfere with the drink question in Australia?

Senator DOBSON.—I do not say that the Federal Parliament has any such power.

Senator PLAYFORD.—If we cannot interfere, what is the use of talking about the matter?

Senator DOBSON.—I am simply showing that those who take part in the temperance movement in America are endeavouring to induce the States Legislatures to act with them. Does Senator Turley

know that the temperance movement is about the liveliest movement in every State of the Commonwealth? We are going to have local option in every State.

Senator TURLEY.—The honorable senator does not believe in local option in connexion with canteens?

Senator PLAYFORD. — Senator Dobson would not like to take a plébiscite of the soldiers.

Senator DOBSON.—Does the Minister suggest that the soldiers themselves should be consulted? I say that nothing of the kind should be done. Soldiers are young men, and it would be simply ridiculous to license public houses in their midst.

Senator TURLEY.—Have soldiers not sense enough to know whether or not they are in favour of canteens?

Senator DOBSON.—No, they have not.

Senator Col. NEILD.—Has the honorable senator ever done a bit of soldiering?

Senator DOBSON.—This is a very important Bill, and those who take the temperance side deserve to be listened to seriously.

Senator PLAYFORD.—We, every one of us, take the temperance side.

Senator DOBSON. — I should like to read the following quotation:—

The assertion is repeatedly made by the canteen advocates that abolishment of the canteen creates disorder among the soldiers. Let us reply to this in the language of an army officer. Colonel Ray says: "It is an insult to every officer in the United States Army to say that the army canteen assists in the management of his men."

I think Senator Neild told us something of that sort.

Senator TURLEY.—Colonel Ray is the only officer, whose name has been given, quoted by Senator Dobson.

Senator DOBSON.—Colonel Ray proceeds to say:—

He adds, "If I had an officer under me who made this statement I would certainly relieve him as soon as possible." No reliable statistics have been brought to prove that the men were better morally and physically under the canteen system than they have been since its abolishment. Quoting again from an army officer: "The regular canteen is not allowed to sell liquor to soldiers when they are drunk. Therefore, the men who want to get drunk will go up town any way. A canteen that keeps the men at the post will have to be as low and vile a hole as any saloon in town."

Senator Col. NEILD. — Read something sensible!

Senator DOBSON.—Colonel Ray is just as sensible as Colonel Neild, and Colonel Ray says:—

If the canteen is what it was first intended to be, it does not keep these drinking soldiers, about whom so much has recently been said, at the post. They want to go somewhere where they can get drunk.

That is proved by the statistics laid before us by the Minister, showing that out of thirty-nine men who drank to excess, twenty-nine got drunk outside the canteen. Colonel Ray proceeds:—

There is no need of liquor in any army post in the country. Do they have a bar at your newspaper offices in order to regulate the drinking of reporters and editors?

Senator FINDLEY.—Yes.

Senator DOBSON.—Colonel Ray goes on:—

In your department stores is a bar maintained simply because a clerk here and there is liable to leave his work, go outside of the store, and get drunk? The statements that are being made about the army and its drinking propensities are libels.

Then I have another quotation:—

I here reiterate our recommendation of several former years that the States having no prohibitory law will endeavour to secure the enactment of a law prohibiting the sale of intoxicating liquor within a radius of three miles from all army posts and Government reservations.

I have another quotation, which states that the whole of the statistics go to show that conditions are improving since liquor was abolished from the canteens.

Senator MILLEN.—Are these American statistics?

Senator DOBSON.—I propose to read only one more extract, because I think some of my honorable friends have treated me in a very ungenerous fashion. I know that the time will come when the temperance movement will make itself felt in every State, and some of my honorable friends will then recognise that this is a more serious matter than they are at present aware of.

Senator PLAYFORD.—Not the matter of the canteens. The general question of temperance may be.

Senator DOBSON.—I beg to differ from the honorable senator. I say that the canteen question is very serious. I have known some soldiers who have ruined their lives by drink, and if I can do anything which will make our soldiers temperate I shall certainly do it. Honorable senators are unable to point to a single historical fact which is not in favour of the principles of this Bill.

Senator Col. NEILD.—Oh, bosh!

Senator DOBSON.—Let Senator Neild read the history of the Siege of Ladysmith, where men had to undergo hardships as great as any soldiers have ever had to suffer, and he will find that officer after officer, and pressman after pressman, asserted that the absence of crime and of all disturbances during that terrible time was almost entirely owing to the fact that there was not a drop of liquor to be got in Ladysmith.

Senator TURLEY.—The most successful canteen ever established was that conducted in South Africa during the Boer War.

Senator DOBSON.—We have the great historical fact before us that in the war between Japan and Russia the Japanese were almost teetotallers.

Senator PLAYFORD.—I have it from Colonel Hoad that they had canteens all through the war.

Senator DOBSON.—The Japanese were exceedingly temperate, and they defeated the Russians, who consumed a good deal of drink.

Senator PLAYFORD.—Saké, and all sorts of liquor, could be bought right through the war in the Japanese canteens.

Senator DOBSON.—Senator Neild will surely admit my contention that the Japanese were far more sober than the Russians.

Senator Col. NEILD.—If the Russians could get no drink they had to be sober also.

Senator DOBSON.—The Russians had drink.

Senator PLAYFORD.—Both Russians and Japanese had drink.

Senator DOBSON.—If Senator Neild desires some evidence with regard to the results which have followed the canteen system amongst English soldiers, he has only to consider what happened during the Boer War. Perhaps the honorable senator is aware, as I certainly am, of the effect upon one general high in rank, and who occupied a most important post during the war. Perhaps he knows, and if he does not I do, of officers whose nerve was disturbed, whose courage, I might almost say, and whose fitness for the performance of their duty, were seriously impaired as a result of the way drink was carted about in South Africa.

Senator MILLEN.—What has that to do with the abolition of the canteen?

Senator Col. NEILD.—It has nothing whatever to do with it?

Senator DOBSON.—I am arguing generally as to the advisability of trying to make the men of our army temperate.

Senator Col. NEILD.—Let the honorable senator introduce a Bill to make all the members of the Defence Force teetotallers, and I shall assist him.

The PRESIDENT.—Order! I think there are too many interruptions.

Senator DOBSON.—I am now going to take my honorable friends to San Francisco during the terrible time when that great city was destroyed by earthquake and fire. Temperance was at that time enforced by the United States Army, and I find this statement made in connexion with the matter—

In the disastrous calamity which befell the luxurious city of San Francisco, a problem of greatest magnitude has been at last solved beyond doubt or controversy in a most startling and impressive manner. The mighty lesson was demonstrated by the earthquake, and burned into the memory for all time with fire and destruction. It was the momentous question of the value of temperance, and more—of the good or evil of total abstinence. If there ever was a time when gloom and despair and anguish were uppermost, it was when the devoted city wrestled with its fate. If there ever was a time when the thirsty cried for drink, or the hungry for food, or the hopeless for good cheer, it was then. Where were the contents of the bonded warehouses, the wine cellars, and the saloons? Had not the people been taught that whisky is "nine-tenths food," "beer altogether food," and that "wine is to cheer and lift up" "the heart bowed down with weight of woe"?

Why are they withheld now? Why were not these potent factors for good distributed broadcast among a dying multitude in a doomed city? Why not, indeed? The powerful advocates of strong drink were present in large numbers, and could have extended the magic drink which they maintained "drives away care and sorrow," "banishes despair," "makes all merry," and "is entirely harmless." Did they do it? Nay, verily! In amazement we learn that the beer, the wine, and the whisky were with all haste possible dragged out and poured into the streets.

What could have been more significant and more convincing? What confession greater? Where were the saloon keepers' rights? Where was the much quoted Constitution, and the "liberty of the people to sell and buy"? All thrown to the winds, when at the very onset there was a getting rid of a deadlier foe than earthquake or fire. There was no calling on Congress to expurgate the clause in the Constitution which guarantees to the citizens of the United States "life, liberty, and the pursuit of happiness." This distorted misinterpreted clause!

The extremity was sharp. Delay was fatal. No time for "the pale caste of thought" to gather. Action was instantaneous, and total

wreck averted. No such radical steps were ever dreamed of by the friends of temperance in this crusade against the mighty evil which is sapping the life blood of our nation. This immortal act, this victory of peace greater than any victory of war, was the act of the United States Army while the city was under martial law.

There was at the time, I suppose, the greatest stress that the people of a city ever suffered, and the first thing done by the soldiers of the United States Army, who were sent there to keep order, was to pour out into the streets every gallon of liquor they could find in the city. The quotation continues—

That army which has advocated a return of the army canteen, where tickets are issued that those who have no money may drink with those who have! God forever bless this noble army! It rose *en masse* above prejudice. It had the valour to act for the right, its keen penetration saw and acted promptly. What it had advocated as right it saw was wrong; and with one mighty impulse rushed to the rescue of San Francisco, not only from earthquake and fire, but from a literal hades on earth had spirituous liquors been tolerated.

These soldier-men wrought better than they knew. They have done for humanity an eternal good, and for the cause of temperance a work which it would have taken generations to accomplish. In a supreme crisis they taught a lesson which encircles the globe in its universal need, the value of which is beyond calculation. It is a victory in peace whose glory is imperishable.

I ask Senator Neild, who, I suppose, knows something about war, whether he does not believe that should a crisis come in a war in which the fate of the British race might be involved, scores of our soldiers would be rendered less effective if the policy he supports was adopted, than they would be if we made some effort to promote temperance in our Military Forces? Out of every hundred men, there may be a dozen drunkards, a dozen more soakers, perhaps a majority of moderate drinkers, who care little about it, and a few teetotallers. Are we, in dealing with the defence of our country, and with the interests of our citizen army, and of boys of seventeen, eighteen, and nineteen years of age, to pass laws to meet the wishes of middle-age soldiers, who perhaps for twenty years, have been imbibing more drink than has been good for them? Should we not rather consider the interest of our young men, our youths, and our sons? Should we not recognise that drink is the greatest curse of the Anglo-Saxon race, that the temperance movement is going to spread, and that the sooner it spreads to

Senator Dobson.

the Army and Navy the better? Are not all the first soldiers of Great Britain advocating temperance principles?

Senator TURLEY.—We all advocate temperance principles.

Senator DOBSON.—We have temperance societies in the Army and Navy, and yet honorable senators propose that we should carry drink from outside into the soldiers' homes and into the soldiers' camps. I recollect telling Senator Neild before that we were making a terrible mistake in allowing drink to be sold in the camps attended by our young men, and the honorable senator told me that the men would not go to camp at all unless they could get drink there.

Senator Col. NEILD.—I never told the honorable senator any such thing.

Senator DOBSON.—When I was dealing with the question in 1903, the honorable senator interjected, during my speech, that I did not know what I was talking about, and that the men would not go into camp unless they could get drink there. I say that that was an insult to the members of the Defence Force, and an insult to the young men of the Commonwealth.

Senator Col. NEILD.—The honorable senator should quote, and not merely assert what I said.

Senator TURLEY.—Senator Dobson is insulting the men of the Defence Force when he says that they have not enough sense to know what they want.

Senator DOBSON.—Might I ask my honorable friends, as a last appeal to them, that they should mind what they are doing. If they throw out this Bill, the canteen system will go on as at present.

Senator PLAYFORD.—Not necessarily. We can make a few alterations in connexion with the canteens.

Senator DOBSON.—I point out that if the Bill is rejected, we shall have whisky and other spirits sold in the canteens for another year.

Senator MILLEN.—Not necessarily. The Minister has power to issue regulations preventing it.

Senator PLAYFORD.—If the honorable senator would listen to me, he would hear what the Minister will do if he can.

Senator DOBSON.—I should be more pleased if the Minister would listen to me for a little time. I have been advocating from the first that the very least we should

do in connexion with this Bill is to prohibit for ever the sale of spirits in canteens. If honorable senators will insist on maintaining the canteens, and on the sale of some drink in them, it should be confined to light beer and light wine. That is what was done in the United States. Let me remind honorable senators of the fatal blunder the Commonwealth, led by Senator Neild, was permitted to make in this matter. We have allowed spirits to be sold in canteens, whereas in the United States and in Great Britain that is not allowed. If the second reading of the Bill is passed, we can include in it what we desire, and I prefer that we should do that rather than leave it to the Minister. In 1903 we missed by only one or two votes the opportunity to drive all drink out of the canteens, and yet for the last three years Senator Playford has not thought it worth while to make any recommendations in connexion with the matter.

Senator PLAYFORD.—I have not been in charge of the Department for three years.

Senator DOBSON.—In permitting the sale of spirituous liquors in the canteens the honorable senator has been aware that he was not following the example of the military authorities of the United States, or of Great Britain.

Senator PLAYFORD.—I cannot do everything at once.

Senator DOBSON.—I prefer that the second reading of the Bill should be passed, and that in Committee honorable senators should introduce such conditions as they desire rather than that the matter should be left to regulations issued by the Minister.

Senator PLAYFORD (South Australia—Minister of Defence) [4.28].—There is one thing to which I very strongly object, and that is that Senator Dobson should attempt to brand every honorable senator who opposes this Bill as a person opposed to temperance. We are not opposed to temperance. If Senator Dobson had paid the slightest attention to Senator Turley he would have known that that honorable senator took the stand he did in the interests of temperance. He has advocated the continuance of the canteen system in the interests of temperance. I have no doubt that every member of the Senate is in favour of temperance. Personally, I favour local option as a means of decreasing the unnecessary number of public-houses in the Commonwealth. But there is one thing I

am not in favour of, and I believe never will be in favour of, and that is prohibition. So far as the canteens are concerned, this Bill proposes absolute prohibition. I ask honorable senators to reflect a little on that question. A year or two ago, I read an account of a visit by two teetotalers to the United States in order to ascertain how the prohibition laws were working in the various States, principally in Maine. They drew a map of the chief city in Maine, and marked with a red cross the buildings in which liquor was sold as openly as it is sold in any part of Australia. When they asked how this traffic could exist, they found that when the prohibition laws were put in force, sly grog shops sprang up wholesale, that the authorities were not in a position to put a stop to the illicit traffic, and that the corporation agreed to allow certain persons in different parts of the city to put up bars. Photographs of the bars are given to visitors, and once a year every man who sells liquor in a bar is brought before the Courts for having sold liquor illegally, and fined £60 or £70. The men quietly pay the fine, and continue to sell liquor. That is the result of prohibition in Maine. After getting evidence in other parts, the two teetotalers came to the conclusion that prohibition was a mistake, and advised their teetotal friends in England to go in for regulation and not prohibition.

Senator BEST.—But local option may mean prohibition.

Senator PLAYFORD.—Not necessarily.

Senator BEST.—The honorable senator is in favour of local option.

Senator PLAYFORD.—I am in favour of local option to decrease the unnecessary number of public-houses, but not to prohibit them.

Senator GUTHRIE.—The South Australian law, which the honorable senator helped to pass, provides for prohibition by a two-thirds majority.

Senator PLAYFORD.—It may be that in certain towns a two-thirds majority may say that there shall not be any public-houses, and I do not know that my honorable friend need grumble at that. As I develop my argument, I shall mention a few matters which very likely will astonish Senator Dobson. There are two kinds of canteen, namely, the barrack canteen, and the camp canteen. In the former, not only liquor, but groceries, draperies, and such articles as are kept in a general store are

sold. I have a list of the various articles which are stocked. The profits which are derived from the sales are utilized for the maintenance of recreation rooms, including libraries, reading-rooms, billiard-rooms, gymnasias, &c., outdoor sports, including cricket, football, handball, rackets, tennis, and athletic sports, payment of wages of canteen employes; care of soldiers' graves, and grants in aid of men's mess. Really, a canteen is a co-operative store, with the addition that liquor is sold.

Senator GUTHRIE.—There has been no profit from the canteen at Queenscliff for a long time. On the contrary, there has been a large debit.

Senator PLAYFORD.—I do not know. Out of the profits from the canteen in Sydney, £500 has been spent in that direction. It must be remembered that there are ill managed and well managed canteens. During the recess, I paid a visit to Western Australia, and then went to Sydney, Brisbane, and Thursday Island. I inspected each barrack canteen, and found that where the commanding officer took a little pains, it was fairly well managed; otherwise it was very indifferently managed. Under the regulations the commanding officer has to appoint a committee of management consisting of three officers. Amongst other things, I found that the accounts of the canteens were not systematically kept. In many instances the accounts were very badly kept; in fact it was very difficult to understand how they were kept. In some instances the balance-sheets were almost as bad as a Chinese puzzle. I found that in many cases excessive credit was given to officers and men. I think it is a very great mistake to give credit, especially for drink, and that the system ought to be stopped. A man who goes to the bar of a canteen for the purpose of getting liquor should put down his money. Sometimes the credit was given for more than a month; in some instances the officers had very large credits. To my mind the whole system was bad, and called for alteration in that respect. I found that in some cases the commanding officer had deliberately put the canteen money into his own private banking account. Of course, that was utterly indefensible. He got the accounts of the canteen and his private accounts so inextricably mixed up that at Thursday Island two special auditors had to be called in to go through the books. They discovered

that he was considerably short in his accounts. He disputed the amount, and paid a portion, leaving a balance of, I think, £40 or £50 owing to the canteen. In consequence of the manner in which the accounts had been kept, it was impossible to charge the man—he is out of the service now—criminally, because it would have been difficult to prove a case to the satisfaction of a jury.

Senator HIGGS.—Does the same system of keeping the accounts prevail in all the States?

Senator PLAYFORD.—No. I found out that case, and possibly in other places it may have occurred, too. It showed the necessity for revising the regulation. Upon my return to Melbourne, I, after careful consideration, decided to revise the regulation, by providing for a uniform system of keeping the accounts, and also a uniform form of balance-sheet, and gave an instruction to the proper officer to draw up the forms. As the men are many, and the officers are but few, I do not see why the former should not be represented on the committee of management of the canteens, therefore I propose to frame a regulation. At the present time the whole matter is left to the commanding officer, who, however, is only allowed to appoint officers to the committee of management. In my opinion the officers, the non-commissioned officers, and the men ought to be represented. I have not yet determined in what proportion they shall be represented, but the question was under consideration when this Bill was sprung upon us. In England the canteens are not allowed to sell spirits, as the following extract from the *Army and Navy Gazette*, of the 16th June last, will show:—

The Secretary of State for War states that the Imperial Yeomanry, when out for training, are under military law, and as regards their canteens, are subject to the same rules as govern the canteens of the Regular Army and Militia. Under these rules the sale of spirituous liquors of any description is prohibited at home. No unfavorable reports upon the management of yeomanry canteens have been received in previous years.

That does not mean that because the sale of spirituous liquors is prohibited the sale of wines and beers is not allowed. I intend to make a regulation to the effect that only beers and light wines shall be sold in our canteens.

Senator MILLEN.—That is prohibition.

Senator PLAYFORD.—So far as the sale of spirits in canteens is concerned, it is prohibition; but in the United States Army the sale of spirits was forbidden long before the sale of beer was prohibited. We do not desire to stop the sale of all intoxicating liquors, but we look upon spirits as a most dangerous beverage, and therefore we propose to restrict the men to practically light wines and light beer.

Senator PULSFORD.—But, as a matter of principle, will the Minister explain how he justifies prohibition in one case, and cannot justify it in the other?

Senator PLAYFORD.—As a matter of principle, I should say that I was justified in prohibiting the honorable senator from taking some poison, if he was likely to take it to excess at times.

Senator PULSFORD.—That is not an answer.

Senator PLAYFORD.—I think that I should be perfectly justified in preventing my honorable friend from taking laudanum, if I thought that he might injure himself. We know that alcohol is a poison, which, if taken in large quantities, produces death.

Senator BEST.—Beer is a poison also.

Senator PLAYFORD.—A man would burst before he showed any signs of poisoning from drinking lager beer.

Senator STYLES.—Does not the honorable senator think that the men will go outside to get whisky if they cannot get it at the canteen? Will they not go to low grog shops?

Senator PLAYFORD.—There are no low grog shops here, I believe, and we need not trouble about what occurs in America. The experience that we have gained in regard to our soldiers is that they are a wonderfully sober lot of men. That applies, not only to our permanent men, who have the privilege of the canteen ordinarily, but also to the militia and volunteers. The honorable senator who moved the second reading of this Bill made the following remark:—

I am glad to know that the measure has the approval of the late Minister of Defence, Mr. McCay, and also the support of the present Minister of Defence.

As to that, I have to state that I never heard that this Bill had been introduced in another place until it was under consideration there. The second reading was moved, and the measure was rushed through in a very short

time. I happened to be working in my room when my colleague, Mr. Ewing, came in, and asked, "Are you in favour of doing away with the sale of spirituous liquors in canteens?" That was the very thing that I was in favour of and I told him so. He said, "All right," and then he went into the House of Representatives, and said that the Minister was in favour of the Bill. I had not seen this Bill at that time. I suppose that my colleague was justified after my answer to his question in saying that I was in favour of the Bill, but I merely intended to refer to the sale of spirituous liquors.

Senator WALKER.—I think that the Minister's colleague said that the Government was not against the Bill.

Senator PLAYFORD.—I am not quite sure how he put it. But if any one quotes me as being in favour of the Bill, I desire it to be understood that what I am in favour of is the abolition of the sale of spirituous liquors at canteens. As to my having moved the first reading of the Bill in the Senate, I have to say that when the measure came up I thought that it was a Government Bill, and jumped up to move the first reading perfectly innocently. Now I desire to answer the question whether we have ever tried prohibition in any of our barracks, and with what result. The experiment has been tried in South Australia. We prohibited the sale of alcoholic liquor at Larcs Bay for a time; and I have a letter from a gentleman who was then a non-commissioned officer. He relates what the result was—

I beg to state that about twenty years ago the sale of liquor was abolished in the Permanent Artillery canteen in South Australia, by order of the Commandant, presumably under instructions from the Minister of Defence, South Australia. The result was that as the men could not obtain the liquor they were accustomed to in barracks, they went outside for it to the hotels. As they had to dress properly before leaving barracks, and also had about a mile to walk to the nearest hotel, they did not content themselves with their usual glass or two, but as a rule spent all the money they had before returning to barracks; the quality of the liquor supplied to them by the hotels was also very inferior, the consequence being that the increase of drunkenness became alarming, and instructions were soon received to again allow the sale of liquor in the canteen. Almost as soon as this privilege was restored, the cases of drunkenness rapidly decreased, and in a very short time drunkenness became almost an unknown offence in the South Australian Permanent Artillery.

Senator GUTHRIE.—How many men were there?

Senator PLAYFORD.—It does not matter whether there were ten, twenty, or 100. The point is that we tried to prohibit the sale of intoxicating liquor at the canteens, and that the result was exactly what Senator Turley pointed out in his very able speech, and exactly what my honorable friend Senator Neild laid great emphasis upon.

Senator GUTHRIE.—What the Minister has quoted is not an official document.

Senator PLAYFORD.—I do not care whether it is official or not—it is the truth. The gentleman who writes to me was on the spot at the time, and knows what he is talking about.

Senator FRASER.—The habits of the people have improved since then.

Senator MILLEN.—The improvement took place when the old system was reverted to.

Senator PLAYFORD.—Yes. It is but human nature that when you prohibit the use of a thing which people desire, they will try to get it. From the beginning of the world it has been so. The American example has been quoted as one of the reasons why we should adopt this Bill. On the other hand, we have been told by Senator Turley, who has read extracts from the reports of officers in the United States Army, that the result of abolishing canteens has been bad. I have made inquiries, and find that directly canteens were abolished in the American Army drunkenness increased. There is more drunkenness now than there ever was. That is admitted by Major-General Chaffey. Do honorable senators suppose that, if we abolish the canteen at a place like the Victoria Barracks, Sydney, we shall prevent the men from getting liquor if they want it? They will simply cross the road, and get what they like. When canteens were abolished in America, institutions called clubs were established. The men can get anything they like at the "club." I shall quote from a letter from a young Canadian officer who has come out to Australia in exchange for one of our own officers, Lieutenant Innes, who has gone to Canada. In this letter he refers to what he has seen in the United States. The officer's name is Lieutenant Clairmont, and he writes to Major Clarke, of Queenscliff, as follows:—

Queenscliff Hotel, Queenscliff, Monday.

My dear Major Clarke:—

I enclose two letters for you that arrived since you left. I overheard you talking about can-

teens the other night, and you query as to what the American methods were, and it has struck me that it may interest you to know that when I was visiting an American post (9th U.S.A. Inf., N.Y. State) a short time ago, I saw personally these methods of carrying on places of refreshment. Both officers and other ranks had what they called "clubs" instead of messes and canteens, which I think were contracted under a civilian, but of this point I am not sure. At any rate, when I was being shown round I was taken into the rank and file "club" to have a glass of whisky. I mention this in case it may be of use to you.

Yours sincerely,

E. CLAIRMONT, Lieut. R.C.A.

There we see the result of attempting to establish prohibition. If the men in barracks desire to obtain a glass of liquor, what right have we to stop them? Have they not a right to turn round and say to us, "Do away with the sale of liquor at your own refreshment rooms. What right have you to consume liquor at your clubs and refuse us the right to have a glass when we want it?" I am satisfied that if we do away with the canteens the men will go outside, and that drunkenness will increase. Possibly the men will form clubs, as has been done in America, and we shall not be able to stop them, except by special legislation.

Senator BEST.—Would not that take place also with regard to spirituous liquors, the sale of which the Minister desires to prevent?

Senator PLAYFORD.—It may to a certain extent. I am not saying that it will not take place in the case of certain old toppers. But to the more temperate and moderate men, it will not, I believe, make any difference.

Senator Sir JOSIAH SYMON.—If it is an interference with the liberty of the men to stop the sale of beer, is it not equally an interference to stop the sale of spirituous liquor?

Senator PLAYFORD.—Sometimes we have to interfere with the liberty of the subject in certain directions, in order that good results may flow therefrom. I have asked a series of questions of responsible officers in regard to the canteens at the barracks at Sydney, Melbourne, and Brisbane, and at Queenscliff. I have asked for particulars of the alcoholic liquors sold during 1905. At the Victoria Barracks, Sydney, there were consumed 2,997 gallons of beer, and 121 gallons of spirits. The average number of men who are stationed at the

Sydney Barracks is 278, but it must be remembered that a number from outside attend for instruction and other purposes, and are allowed to use the canteen.

Senator Sir JOSIAH SYMON.—Visitors?

Senator PLAYFORD.—No.

Senator Sir JOSIAH SYMON.—Would an officer not be allowed to treat his friends?

Senator PLAYFORD.—Yes; but no visitors are allowed to pay for drink. The total amount received from the men at the canteen for drink was £479, and for this it is estimated that they obtained refreshments which outside would have cost £800, showing a very large difference. The number of convictions or punishments for drunkenness and for other offences of which, it was believed, drink was the cause, was three out of very nearly 300 men during the whole twelve months. In my opinion, that is a wonderfully low percentage and, moreover, there is this note attached to the return:—

In all these cases the offenders had obtained the drink outside barracks, and the canteen was in no wise responsible.

That is marvellous sobriety, and all the officers of New South Wales, whose opinions I shall quote shortly, declare that were the canteen abolished there would be considerably more drunkenness than at present. Who are on the side of temperance? Whose method would deter men, to the greatest extent, from excess in drinking? That of those who are opposing this Bill. Honorable senators who are in favour of the measure are, unconsciously of course, advocating something that would have the effect of increasing drunkenness. That is the purport of the evidence we have received, and that is the position which has to be faced. In my own State of South Australia, one officer, who is a thorough teetotaler, and who, like myself, would abolish all drinking in canteens if good results would follow, told me that he could not conscientiously advocate its abolition, which would only mean an increase of the very evil he desired to diminish to the utmost possible extent.

Senator FRASER.—It is denied that the abolition of canteens would have any such results.

Senator PLAYFORD.—The following are questions I asked, and the answers given:—

Whether other refreshments, such as tea, coffee, sandwiches, &c., are supplied, and what efforts

are made in the direction of a temperance canteen?—Attempts have been made at times to encourage the sale of tea and coffee as beverages, but have met with no manner of success, it being found that the Government rations were apparently sufficient to meet the wants of the men in this respect. The same applies to food supplies, such as biscuits, tinned meats, &c. These are kept for sale, but such are usually bought by the married men only.

Whether there is a comfortable room apart from the canteen, where men could assemble for recreation?—Yes; billiard room, reading room, room for cards and games, all recently reconstructed and tastefully furnished by the canteen, in accordance with their several requirements, at a cost of about £500. There is also a fully and thoroughly equipped gymnasium, and a theatre furnished with stage.

That has all taken place in barracks which are situated in the suburb of Paddington, where, if there were no canteen with its recreation room, reading room, and so forth, the men would perforce find themselves in the street, surrounded by numerous public-houses.

Senator FRASER.—There would be recreation rooms in any case.

Senator PLAYFORD.—The chances are that, under any circumstances, there would be more drinking and drunkenness than now. I am sorry to say that the Victoria Barracks, Melbourne, came out very badly in this connexion, when compared with the Victoria Barracks, Sydney. In Melbourne the state of things is not nearly so satisfactory; and I am endeavouring to find out the cause, but experience much difficulty in doing so. In the Melbourne Barracks and the Queenscliff Barracks together, there are 199 men, who drank 7,932 gallons of beer, as compared with the 278 men in Sydney, who drank 2,997 gallons in the twelve months. In Sydney the amount of money spent by the men was £479 2s. 9d., whereas in Melbourne and Queenscliff the amount expended was no less than £1,447 14s. 4d.

Senator BEST.—That includes visitors, I suppose?

Senator PLAYFORD.—Then, as compared with three cases of drunkenness in Sydney, there were twelve cases in Melbourne; and further, in the case of Melbourne, it is only possible to say that in two of the cases it was clear the men had obtained the drink outside of the barracks. This, of course, leaves ten cases in which offenders obtained the drink in barracks.

Senator DOBSON.—Does not that condemn the present system?

Senator PLAYFORD.—It does not condemn the system, but it appears to me that

it may condemn the management. My desire is to put the matter fairly and straightly to the Senate—to present both the bane and the antidote. If the unsatisfactory results in Melbourne condemn the system, then the magnificent results in Sydney support it in the most unmistakable manner.

Senator HIGGS.—Perhaps the Queens-cliff regulations drove the men to drink.

Senator PLAYFORD.—I do not know whether that is so or not, but I have been making inquiries, because at present the difference in this connexion as between Melbourne and Sydney seems to me inexplicable. I promise honorable senators, however, that I shall make further inquiries, though I have not been able to do much as yet, having received this return only this morning. In Brisbane there are seventy-two men, but they drank more beer than did the 278 men in Sydney, and the fact appears utterly strange to me. In the Victoria Barracks, Brisbane, the seventy-two men consumed 3,200 gallons of beer, as compared with the 2,997 gallons consumed by the men in the Sydney barracks. How Senator Higgs may explain that fact I do not know. Of the seventy-two men in Brisbane, eight of them were found guilty of drunkenness, as compared with three offenders out of 278 men in Sydney. Of the eight offenders in Brisbane, I am informed that three were apprehended by town escort, so that apparently a picket had to be sent to fetch them home. What was done with the men who obtained the drink at the canteen I do not know, but, as honorable senators will see, there were five. All these figures are very astonishing. I do not know whether my Sydney friends have been minimizing the matter at all; but statistics are very awkward to deal with. The difference in the figures relating to drunkenness, as between two towns, is very often explained by the fact that the police are more active in one than in the other; and I do not know how the statistics I am now quoting are made up. I read, however—

With reference to the average number of officers and men stationed at the respective places mentioned, it must be borne in mind that in addition to the troops permanently stationed there, on many occasions during the year schools of instructions and other parades of the permanent, militia, and volunteer forces are held in barracks, the troops attending which would be privileged to use the canteen.

That statement, of course, may offer some explanation of the figures I have quoted.

Senator DOBSON.—What about the amount of money the soldiers spend?

Senator MILLEN.—They do not spend half as much in the canteen as they would spend outside.

Senator PLAYFORD.—The return shows that the men at the canteen pay about half what they would have to pay outside. Senator Pulsford a little while ago asked for a return showing where canteens are established, and the receipts from them, and the number of men at each barracks or fort where canteens are established. That return I have here, and this, too, discloses a most extraordinary state of things in regard to the Melbourne barracks. In this connexion I sent a special memorandum to the barracks this morning, and have received an answer that is fairly satisfactory. The return shows that in the Victoria Barracks, Sydney, there are 278 men, who spent last year £479 2s. 9d. in drink. In the Victoria Barracks, Melbourne, there are only 72 men, and they spent £820 3s. 1d. in drink. That was perfectly astounding to me.

Senator Col. NEILD.—That can be explained.

Senator PLAYFORD.—It has been explained to a certain extent, and I will read the explanation directly, though I do not think it entirely satisfactory. At Middle Head, with 31 men, the receipts from the sale of alcoholic drinks during last year amounted to £155 10s. 3d., and at the Victoria Barracks, Brisbane, with 70 men, the receipts were £291 2s. 10d. At Thursday Island, 81 men spent £683 10s., but I can understand that they would require a little extra drink. Building operations have been going on at Thursday Island for some time, and the men engaged on the works used to give the soldiers 1s. to buy them a drink, and that would probably account for some part of the large consumption reported from Thursday Island. I asked a question concerning the discrepancy between the expenditure at Victoria Barracks, Sydney, and at Victoria Barracks, Melbourne. My letter was as follows:—

Melbourne, 16th August, 1905.

Military Commandant, Victoria.

From a statement recently presented to Parliament *re* military canteens, it appears that the receipts from the sale of alcoholic drink during last year at Victoria Barracks, Sydney, amounted to £479 2s. 9d. for 278 men; whilst in the case

of Victoria Barracks, Melbourne, the receipts amounted to £820 3s. 1d. for 72 men.

The Minister wishes an immediate report as to this extraordinary difference.

This is the reply I received—

It would appear from the way that the return was rendered that only officers and men of the Royal Australian Artillery were included. It is pointed out that the number of persons using the canteen at Victoria Barracks, Melbourne, is 76 members of the Royal-Australian Artillery, and 102 other persons who are allowed to make use of the canteen; thus there is a total of 178.

That brings the number more nearly to that of the number of men using the canteen at Victoria Barracks, Sydney, but the discrepancy is still very great.

Senator STYLES.—Could the Minister explain who the other persons are who go to the canteen at Victoria Barracks, Melbourne, to help themselves to cheap grog?

Senator PLAYFORD.—The reply to which I have referred continues—

In addition to the above total of 178, it has to be taken into consideration that whenever a Guard of Honour is held, an extra 80 men are on the Station for a day or two days, as the case may be, and during Cup Week, for the whole week.

Also that parades of the militia and volunteer forces, Schools of Instruction, and Courses of Equitation held at the barracks bring extra custom to the canteen, but it is impossible to strike an average, as no record has been kept of the actual numbers making use of the canteen.

It is further pointed out that those persons outside the Regiment who are allowed to use the canteen are principally the ones who buy spirits by the bottle, to be consumed in their own quarters.

I have here statements from the different Commandants in the various States in reply to certain questions I submitted to them. These cover the opinions of Commandants and commanding officers on the question of prohibiting the sale of intoxicants in canteens. All the papers are here for the perusal of honorable senators who desire to see them, but I propose to give only the substance of them. I take New South Wales first, and I find that in that State brigadiers and commanding officers unanimously and resolutely oppose prohibition of the sale of intoxicants in canteens, and the Commandant says—

Personally I am totally opposed to proposed prohibition.

Without exception, every commanding officer in New South Wales is opposed to the prohibition of the sale of intoxicants in canteens.

Senator Sir WILLIAM ZEAL.—Then they do not agree with the Minister, who proposes to abolish the sale of intoxicants?

Senator PLAYFORD.—I do not propose to abolish canteens, but to abolish the sale of spirituous liquors. The Bill proposes the abolition of canteens. In the case of Victoria, nineteen commanding officers have expressed the opinion that the sale of intoxicants in canteens should not be prohibited whilst three are in favour of prohibition. The Commandant says—

I am strongly of opinion that in the interests of discipline and sobriety, the prohibition of the sale of intoxicating liquors would be a mistake. Personally I am of opinion that spirits should be prohibited, and only beer and wine sold.

Now I come to Queensland, and I have this report from that State—

Strongly recommend retention of canteens for the following reasons:—

Induce members Permanent Forces regard barracks as home.

Profits of canteen devoted to maintenance of library, billiard table, piano, and light refreshments, for which no provision on Estimates.

Militia profits distributed to corps concerned for sports.

If canteens closed with object of suppressing drink, fear result disastrous to discipline and *esprit de corps*; men will join institutions in town not under supervision of officers.

Misdirected influences will replace military influence, and thus military thought, and consequently efficiency, will suffer, and our task will then be more difficult.

Offences caused by drink generally committed outside barracks.

Majority of Commanding Officers favour retention and sale of intoxicants.

In the case of South Australia, seven commanding officers are of opinion that the canteen is desirable, four are opposed to canteens, and one asked that he should be relieved from expressing an opinion. The South Australian Commandant states—

From an experience extending over five-and-twenty years, I am strongly in favour of permitting the sale of intoxicating liquors in canteens.

It has the great advantage of the sale being carried out under strict military control, and at the same time the best liquors are being provided for the men.

I am perfectly convinced that if such sale is prohibited, it will cause most serious dissatisfaction throughout the Commonwealth Military Forces, and will lead to a great deal of illicit drinking in barracks and in camp.

I find that in Western Australia all the commanding officers, ten in number, and including the State Premier, strongly oppose the abolition of the sale of intoxicants in canteens. The Senior Chaplain, Bishop

Riley, concurs in this, and the Commandant states—

I also indorse the opinions of my Commanding Officers.

In Tasmania, ten commanding officers are unanimously in favour of continuing the sale of intoxicants in canteens. The Acting Commandant concurs, and there is no dissident.

Senator Col. NEILD.—Then there are only seven commanding officers in the whole of the Commonwealth who are in favour of the Bill?

Senator PLAYFORD.—Honorable senators will see that the immensely preponderating opinion of those who have the best means of knowing what will be the effect of doing away with the sale of intoxicating liquors in canteens is that it will be injurious, and will lead to an increase of drunkenness. The experience in South Australia may be only in a small way in connexion with Largs Fort, and for a limited period, but the Commandant of that State is of opinion that to do away with the canteens would lead to an increase of drunkenness. That is also the experience of the United States, so far as I have been able to gather from my reading. I have before me a report on the subject from one of the most important officers of the United States Army, Lt.-General Adna R. Chaffee, Chief of Staff of the United States Army. He says—

The lowest ratio of alcoholism was for the year 1898, when beer and light wines were sold under regulations established by post authority.

I shall not quote the whole of his report, because I have already occupied a greater length of time than I usually do when addressing the Senate. But I gather from the report that in the opinion of General Chaffee, drunkenness has increased in the United States Army since the canteens have been done away with.

Senator TURLEY.—Why not read the whole of the report?

Senator PLAYFORD.—I think that Senator Turley has already quoted even a stronger statement.

Senator TURLEY.—Not from General Chaffee.

Senator PLAYFORD. — He says, amongst other things—

Prohibition creates in soldiers a wish for drink rather than banishes it.

That is the opinion of one of the most important officers of the United States Army.

Senator Sir WILLIAM ZEAL.—Then what becomes of the honorable senator's suggestion to prohibit the sale of spirituous liquors in canteens? He is condemning himself.

Senator PLAYFORD.—We cannot all be logical like the honorable senator. I am content to quote the opinion of a man who is able to describe what took place when the canteens of the United States Army were allowed to sell only beer and light wines, and his statement that, having done away with the sale of beer and light wines in the canteen, as is proposed by this Bill, the result was an increase of drunkenness in the United States Army. This officer expresses the opinion that prohibition increases rather than decreases the desire for drink on the part of the soldiers. After all inquiries, I believe that the result of doing away with the sale of at least certain intoxicating liquors in military canteens in the Commonwealth will not be what our teetotal friends think it will. I believe that it will not lead to a decrease of drunkenness amongst the men. From the experience of our officers, and from my reading on the subject, I have no doubt that the effect would be to increase rather than decrease the amount of drunkenness. It would cause the formation of clubs in which the men would be able to obtain drink without the supervision to which they are subjected under the canteen system. I believe as strongly as does any member of the Senate, or any one in the community, that it is advisable that we should do all we can to promote temperance, not only amongst the military, but throughout the whole community; but I still shrink, as the teetotal officers of the Defence Force do, from consenting to the passage of a measure like this, because I believe its effect will be the very reverse of what is expected from it by our teetotal friends.

Senator FINDLEY (Victoria) [5.29].—The agitation being carried on, particularly in the State of Victoria at the present time by various temperance organizations for the abolition of military canteens, is one that has received a good deal of prominence in the columns of the daily press. If one were to be moved by the numerous letters he receives, asking his support for the Bill, without giving consideration to the

other side, I feel that he would be casting a wrong vote. I can understand a prohibitionist strongly favouring a Bill of this kind, but I cannot understand any other person being in favour of the abolition of military canteens. I believe that if the liquor traffic were under strict control and regulation, there would be a less consumption of alcohol than is the case to-day. It is because I believe that the consumption of alcohol is restricted in military canteens that I do not wish them to be abolished. The speech made by Senator Dobson in favour of the Bill, and some of the arguments he adduced, will not stand very strict analysis. When he was reminded of the fact that a vote had been taken amongst the parties concerned as to whether they were favorable or unfavorable to the Bill, he said that they had not enough common sense to exercise a vote on a matter which seriously affected them. That was a very unfair and unmanly statement for the honorable senator to make in regard to a number of men who have probably as much intelligence and capacity as he has. At all events, if they had not enough common sense or intelligence to exercise a vote on the question as to whether the canteen should be abolished, then on his line of reasoning they have not enough common sense to be intrusted with a rifle to protect the shores of the Commonwealth. The honorable senator also quoted from a temperance magazine to show that newspapers would not favour the establishment of a canteen in a newspaper office. I know that for a period of fifteen or sixteen years there has been in existence in the *Argus* office a well conducted canteen, where the men are never in a state of intoxication, and where they are supplied with beer and every kind of spirituous liquor at a cost much less than that which they would have to pay outside. The canteen has been a very great convenience to the machine-men, the linotype operators, the reporters, and the editorial staff, and never during its existence have I heard of a case of drunkenness having been brought before any of the responsible men who conduct that establishment.

Senator FRASER.—The men are selected from the staff.

Senator FINDLEY. — Selected for what?

Senator FRASER.—They are a good lot of men on the press.

Senator FINDLEY.—Does the honorable senator imply that the men in the Military Forces are not a good lot of men? I have often heard him hip-hip-hurrah for the soldier and the flag, but he has just made a disparaging statement in regard to our own men.

Senator FRASER.—I did not.

Senator FINDLEY.—The honorable senator said, "They are a good lot of men on the press," implying that the men in the Military Barracks are not.

Senator FRASER.—There might be the same results.

Senator FINDLEY.—If the results are the same in the Military Barracks as in the *Argus* office, they are in favour of retaining the canteen. I have never been within the precincts of a military canteen, nor have I paid a visit to a military encampment, so that my knowledge of the advantages of canteens is very limited. To the *North American Review*, for October, 1903, Colonel William Conant Church, who has occupied a very high post in the American Army, contributed an article, from which I propose to read an extract. He wrote in these terms:—

If we wish to inform ourselves about medicine, we consult the doctors; if about law, the lawyers; and none but the ignorant ignores expert opinion. When it comes to reasoning about our Army, however, and legislating for it, we would appear to think that any woman, old or young, who can give her testimony in a conference, meeting, or temperance convention, or write a letter to her Congressman glowing with the ardour of self-appreciative virtue, is more to be considered in determining what the Army needs than the officers who command it.

Senator MILLEN.—It is a pity that Senator Dobson did not hear that extract read.

Senator FINDLEY.—When I want expert information in regard to a matter, I like to obtain it from an expert. Senator Turley has furnished a great mass of information in regard to canteens: it has been supplemented by Senator Neild, and additional arguments in favour of their retention have been supplied to-day by the Minister of Defence. It was the desire of a number of honorable senators that the opinions of the men concerned in the enactment of this Bill should be obtained. A few weeks ago Senator Millen suggested that that course should be taken, the Minister promised that the information would be forthcoming as soon as possible, and it was tabled to-day, in the form of a

return. What was the result of the vote taken in each State?—

VICTORIA.

Permanent Forces.

	Off- cers.	Other Ranks.
In favour of sale of fermented and spirituous liquors in canteens ...	9	221
Against ...	—	26

QUEENSLAND.

"All ranks strongly opposed prohibition. They consider proposed action harmful to a degree."

SOUTH AUSTRALIA.

Permanent Forces.

	Off- cers.	Other Ranks.
Against abolition of canteen ...	1	18
For abolition of canteen ...	—	2

Citizen Forces.

Seven commanding officers state that the non-commissioned officers and men of their command are in favour of the retention of canteens.

Three commanding officers state that in their opinion the majority of the non-commissioned officers and men of their command would be opposed to canteens.

WESTERN AUSTRALIA.

"As far as can be ascertained, all ranks are opposed to abolition of canteens."

TASMANIA.

"Replies from officers and men practically unanimously opposed Canteen Bill, and only eighteen individuals in the district in favour."

It is argued by the teetotallers that the retention of canteens is an inducement to young men who enter the Military Force to indulge in strong drink. But the answer to that line of reasoning is supplied by Major Louis Livingston Seaman, late surgeon of the United States Army, who says—

It has been asserted that the canteen presents the saloon to the recruit in its least objectionable form—that he enters the Army free from the drink and debt habit, and is discharged with both fixed upon him. In reply, it may be said, if the recruit was *not* in the Army, he would probably have the saloon presented to him in a *more* attractive and alluring manner, as, for instance, it is to the college boy of the present day; and if he is not possessed of the moral stamina to resist its temptation in one place, he certainly will not in the other. In the canteen, his commanding officer is directed to see that his credit is limited to 20 per cent. of his pay, which amounts to \$3 per month; and, if he exceeds this amount of debt, his commanding officer, and not the soldier, has been derelict in the performance of duty.

This medical officer of the United States Army is almost a teetotaller, and it is in order to restrict the consumption of alcoholic drinks that he favours the retention of the canteen. He goes on to say—

Of course, the canteen is not an ideal institution. Its advocates frankly admit that the

Senator Findley.

total abolition of intoxicants in the Army is a desideratum devoutly to be wished. Personally, almost a total abstainer myself, and after having passed ten years of my life as Chief of the Medical Staff at Blackwell's and Ward's Islands, I would gladly have alcohol eliminated as a product from the face of the earth. Personally, too, I would abolish wars, and therefore armies, and the necessities for canteens; but, unfortunately, this is not a personal matter.

He mentions that a friend of his—also a military gentleman—penned the following statement at Peking on 19th July, 1901:—

The W.C.T.U. would have no fault to find with the post here. The men go outside and get drunk on *sam shui* in town, and go to sleep in back yards or other worse places, but the sanctity of the Government reservation is maintained. The Germans have a Bier Halle on the wall at Hartaman Gate. The Japanese have their canteen. The British have one in their grounds, and bring their beer to their tables. The French soldier has his little bottle of wine at dinner. We alone are virtuous. We are the advocates of reform. We are the great hypocritical hippodrome—none like us.

The writer of the article continues—

Some time ago it was my pleasure to read a paper on this subject before an association composed exclusively of Army Medical Officers, and after a free and full discussion, the following preamble and resolutions were unanimously adopted by them:—

"Whereas the Association of Military Surgeons of the United States, now in session at St. Paul, recognises that the abolition of the Army Post Exchange or Canteen has resulted, and must inevitably result, in an increase of intemperance, insubordination, discontent, desertion, and disease in the Army, Therefore be it

"Resolved, that this body deplors the action of Congress in abolishing the said Post Exchange or Canteen, and in the interests of sanitation, morality, and discipline, recommends its re-establishment at the earliest possible date."

A week later, at the meeting of the American Medical Association, representing the 6,000 leading medical men of this country and Canada, I presented the same resolution, and it was adopted without a dissenting voice.

This is a gentleman who is almost a total abstainer himself. Further testimony is forthcoming in regard to the advantages derived from the canteen system in the United States. I will quote a Chaplain representing the Protestant Church attached to the Military Forces in America. Chaplain H. A. Brown, of the United States Army, says:—

The plain simple fact is, that I can see no logical reason for the abolition of the canteen, except from the stand-point of the absolute Simonpure prohibitionist, who believes that all drinking, use, or sale of liquor is wrong in itself. While all drunkenness is wrong, it by no means follows that all drinking is wrong. The soldier should have exactly the same liberty and

privilege he would be allowed as a citizen, so far as is consistent with his duties as a soldier. Therefore, on the ground that the privilege of drinking is conceded to a civilian, and on the ground, as shown by overwhelming testimony, that the canteen reduces drunkenness, disorder, and demoralization in the Army, notwithstanding it appears to be doomed, I am opposed to the measure which abolishes it.

The Rev. William Dalton, a Catholic priest, of Kansas City, Missouri, who has devoted much attention to the habits of soldiers in the United States, declares:—

No one can enforce total abstinence. That is only a theory. We can restrict the liquor trade, which the canteen did, but we cannot wipe it off. I am a knight of Father Mathew, a total abstainer, and would see every one in the world belong, but I know it is impossible, and I do not join these crusades. All the good the women want to do they undid, but all the good that was being done without them they have utterly ruined.

The testimony of the Public Health Association, which met at Washington, 30th October, 1903, is very strongly in approval of canteens—

Declaring that it had proved itself the most efficient prophylactic measure for the suppression and diminution of vice and drunkenness, and that its abolition by act of Congress, approved and February, 1901, on purely sentimental ground, was deeply to be deplored by all interested in the prevention of physical and moral diseases. The Association unanimously accepted the report of its Committee, to which this subject had been referred, recommending the presentation to the Senate and the House of Representatives in Congress of the following resolutions adopted by the American Public Health Association in September, 1901:—

Resolved—"That this body deplores the action of Congress in curtailing the operation of the Army canteen or post exchange; and, in the interest of general and military sanitation, recommends its establishment on its former basis at the earliest possible date."

Resolved—"That this body, in the interest of temperance and humanity, cordially invites the intelligent co-operation of a very large element of good citizens, who have been active in securing legislation against the sales in the military service of alcoholics of any character, in taking successive steps toward the betterment of existing conditions, and thus assist in controlling and largely curtailing an evil which it is powerless at present to prevent."

I should think that the members of a Public Health Association, having the best information at their disposal, and being of an inquiring turn of mind, would not unanimously pass such a resolution without very good ground. Such testimony should carry far greater weight than letters written by well-meaning persons belonging to temperance organizations, who have had no practical experience of whether it

would be wise or unwise to abolish military canteens.

Senator FRASER.—Could that opinion carry more weight than the view of Congress? Surely not.

Senator FINDLEY.—Congress, according to the information which I have been able to obtain, was moved more by sentimental than by any other reasons. Those who are conversant with deliberate assemblies know that there are times when it is possible to get a measure through without that serious consideration which would be given to it at another period. Take, for instance, the treatment of this Bill in another place. It was carried on the voices. It may be that that was largely due to the fact that an election is close at hand. Whatever may be the explanation, it does seem odd that such a measure should be carried on the voices without any argument being urged in favour of the retention of canteens. Is it likely that that result would have been attained except a few months prior to a general election?

Senator WALKER.—The other place passed the Bill hoping that the Senate would throw it out.

Senator FINDLEY.—Judging from the reception that the Bill has had in the Senate, it is likely to be defeated on the voices.

Senator TRENWITH.—It might be said that that is because there is a general election at hand. But I do not think that that is either a fair or a wise inference.

Senator CROFT.—In my opinion, it is a perfectly true one.

Senator HIGGS.—It is singular that proposals of this kind are generally made at election times.

Senator FINDLEY.—There are certain proposals that are generally made at certain periods. It is strange that this Bill was not brought forward until the final session of this Parliament. The article from which I am quoting goes on to say—

The enlisted men sent to the chairman of the Military Committee of the Senate, through military channels, a petition in which they showed that the post exchange, as conducted by the Army, is a co-operative institution. Every enlisted man in the garrison is a stockholder in it, and from it, when it is a success, he obtains benefits which promote cheerful endurance of hardships, make him more content with his lot, and thus a better soldier and better citizen. At the post exchange the soldier can buy at a minimum cost articles of luxury not included in the Government ration, liberal as it is, for it

is impossible so to adapt the ration in all respects to individual tastes that it shall not become monotonous.

That phase of the subject was dealt with very fully by the Minister.

Senator MCGREGOR.—Some people seem to think that nothing but liquor is sold at the canteen.

Senator PLAYFORD.—The canteen is a general store.

Senator FINDLEY.—Yes, and an important consideration is that none but the best liquor is sold there. The life of a soldier is, under any circumstances, not a very happy one, and the existence of the canteen helps to drive away the dull care incidental to it. There are many well-meaning people in this community who would, at a stroke, abolish all the pleasure and amusement incidental to an establishment of that kind. Human nature is human nature, and if the men cannot find amusement at the canteen they will probably go to the nearest public-house, where they will have to pay more for their liquor, and certainly will not get stuff of a better quality.

Senator FRASER.—The canteens need not necessarily be shut up because liquor is no longer sold there.

Senator FINDLEY.—As soon as you prohibit the men from getting that to which they have been accustomed, they will take the opportunity to get it elsewhere. Further, to shut up the canteen would offer an incentive to men, who have been in the habit of taking beer, wine, or whisky, to smuggle it into the barracks and the camps. Colonel Church, in his introduction to the article from which I have quoted, said—

The outcry against what, for the want of a better name, has been known as the Army canteen emphasizes the saying of Bulwer Lytton that, "in life it is difficult to say who do the most mischief, enemies with the worst intentions or friends with the best." Certainly, no one who sought to injure our Army could have done more effective work for its demoralization than have the worthy matrons and maidens of the Women's Christian Temperance Union, who, in their zeal for reform, persuaded Congress to make the Army a victim of their theories on the subject of temperance. It is no reflection upon these excellent ladies to say that they are profoundly ignorant upon the subject of the Army and the life of garrison and camp, for the soldiers of the Regular Army, who are in the proportion of less than one in a thousand, form a class by themselves, gathered together in comparatively few localities, and having little intercourse with civilians. It was a question, in the case of the beer-selling feature of the canteen, of a difference of opinion between those who thoroughly understand the Army and Army conditions and

a small but most persistent and vociferous body of theorists, who have no concern with the Army, nor interest in it, beyond making it the victim of their hobbies. Reason was condemned and prejudice had its way. The question as to how to deal most wisely with that craving for alcoholic stimulants which seems to be in the very blood of our race, is one that profoundly concerns the Army; for the Army is largely composed of young men, who, because of their age, their physical vigour, and the peculiar conditions of Army life, are especially subject to temptations in the line of self-indulgence. The record of a loss to the Army of over seven per centum by desertions during the last official year, or a total of 5,034 men, the equivalent of six full regiments, is, in the opinion of a majority of our Army officers, the result, in part, at least, of the stimulus given to the drinking of vile liquors by the abolition of the canteen.

Evidence is forthcoming that desertion and drunkenness have both increased since the abolition of the canteen in the United States. Personally, I believe with the gentleman whose testimony I have just quoted, that the world would be better without liquor. But it is impossible to abolish it by one fell swoop throughout the Commonwealth. We have the guarantee that at all events no vile liquor is sold in our canteens. That which we sell there is the very best that can be obtained.

Senator MILLEN.—It is as good as, if not better than, that which is sold at Parliament House.

Senator FINDLEY.—I am satisfied that the best liquors are sold at the military canteens, and that the prices are much below those to which the soldier would find himself subjected if the canteen were abolished, and he had to go to the adjacent public-house. According to the evidence, canteens are an incentive to thrift. There are those who say that working men indulge too largely in alcoholic liquors, and that if they were to abstain, and place the money in the Savings Bank, they and those dependent on them, and the country itself, would be much the better off. The *North American Review* for January, 1903, contains an article by Major Louis Livingston Seaman, late surgeon in the American Army, from which I take the following:—

The report of the Paymaster-General for 1899 shows that the average number of men annually making such deposits for the seven years, 1885-91, was 7,273, while for the six years, 1892-97, the annual number so depositing was 8,382, an increase of over 13 per cent. Gambling, too, has been decidedly diminished by the restrictions of the canteen. The records of the Adjutant-General's office, 4th December, 1902, show that General Bates, Paymaster of the Army, collected from 75,000 enlisted men (regulars) during the last year in which the canteen

was in force, on account of the Soldiers' Home, dues, fines, and forfeitures, \$462,698; while during the fiscal year 1902, since the abolishment of the canteen, there was collected by Paymasters from about 70,000 enlisted men (regulars), on the same account, \$632,125. That is to say, the fines and forfeitures imposed upon and collected from the enlisted men of the Army were vastly increased during the year subsequent to the abolishment of the canteen.

Honorable senators both for and against the Bill have quoted much evidence to show the dangers to which soldiers are exposed by reason of sly-grog shops and other places where bad liquor is sold. On this point the article says—

The curse of the Army is the grogeries and brothels that flourish near the outskirts of every camp. An official report on file in the Adjutant General's office says:—

"Around the reservation of Fort Wingate in 1889, a number of little rum-shops thrived on the earnings and weaknesses of the soldiers. Here crime and debauchery thrived, and after each pay-day patrols were required to literally drag our soldiers from the clutches of the keepers of these dens. The Guard House was always full in consequence of drunkards and absentees from duties, as well as those who had committed themselves in other ways, traced to the demoralizing effects of the soldiers innate craving after amusement and tippie of some character. The exchange system did away with all this. Those of us who were prejudiced against what was termed a Government bar-room found the benefits of the new system so startling that it could not be combatted."

I venture to assert that if a number of those honorable senators who are conscientiously in favour of this Bill had the experience which the military authorities have had in America, they would be the first to raise their voices in favour of a restoration of the canteen system. There is evidence to show that over-indulgence in strong drink leads to insanity, and on this point the article in the *North American Review* is well worth quoting—

It is well recognised by all authorities that alcoholism and insanity are closely related, through the direct influence exerted by intoxicants in the production of mental aberration. Captain Munson, surgeon, U.S.A., in his report on file in the office of the Adjutant-General, states that "during the seven years of the existence of the canteen the reduction of insanity in the army amounted to 31.7 per cent." Drunkenness was certainly prevented by the constant military supervision to which the canteen was subjected. As illustrating the marked reductions of convictions for drunkenness or complications arising therefrom since the establishment of the canteen, the report of the Judge-Advocate-General states that, in the year 1889, before the establishment of the canteen, the num-

ber of trials and convictions for drunkenness and conditions arising therefrom was 423. In the year 1897 the total number reached only 143. The Minister of Defence contends that in advocating the retention of the canteen system he is assisting the cause of temperance, and there is no doubt that he is on the right track. I cannot understand, however, the Minister's apparent inconsistency when he expresses himself in favour of allowing wine and beer to be sold, while denying brandy, whisky, or rum to those who have no palate for the former class of beverages.

Senator MILLEN.—The Minister, at the same time, has stated that if men cannot get what they want in barracks they will go elsewhere.

Senator FINDLEY.—The Minister of Defence emphasized the statement several times that if men were debarred from obtaining in the canteen the liquors to which they were accustomed, the result would be that they would go where they could gratify their desire.

Senator PLAYFORD.—In England and the United States spirits are prohibited in the canteen.

Senator FINDLEY.—There is no reason why the Commonwealth should slavishly follow the example of those countries.

Senator PLAYFORD.—It is an argument in favour of prohibiting spirits.

Senator FINDLEY.—If we followed the example of the United States we should abolish canteens.

Senator DOBSON.—The honorable senator is furthering the cause of temperance!

Senator FINDLEY.—I am satisfied that all who are opposing this Bill are furthering the cause of temperance. Those who advocate the Bill have the same object in view, but, in my opinion, they are not taking the proper course.

Senator FRASER.—Let us give abolition a trial.

Senator MILLEN.—It has had a trial in America.

Senator FINDLEY.—The canteen system has had a trial, but, in my opinion, not a fair trial. We have been assured by the Minister, however, that in the future men will not be permitted to use the "slate" and obtain drink when they are not able to pay for it. Further, the Minister has promised that stricter supervision shall be exercised over the sale and consumption of liquor at the various canteens. The testimony of officers, as well as of

men, is in favour of the canteen system; and it would be unjust to them, and inimical to the temperance movement, if this Bill were carried. There is much more evidence I could read if I felt it to be necessary, but I believe that in this chamber there is strong opposition to the measure, not because of any desire to see the consumption of alcohol increased, but rather with a desire to have it diminished. There is a conscientious wish that our soldiers, who perform laborious work both in and out of barracks, shall have the same liberties and privileges as are enjoyed by ordinary citizens, and that the soldiers shall not be forced to spend the small remuneration they receive in places where, perhaps, the quality of the liquor sold would be inferior. In the interests of the soldiers, and of temperance—in the interests of the Commonwealth itself—I hope that this Bill will be rejected.

Senator FRASER (Victoria) [6.13].—I have listened with a good deal of interest to the strong and eloquent speeches for and against the Bill. I must confess that I am a temperate man. I believe in temperance in everything. If I may be allowed to say so, I think I am a living example of the advantages of temperance. I have lived a good long time in the world, and I enjoy perfect health, and sleep and eat well. Sometimes I do enjoy a little beverage, but very rarely.

Senator O'KEEFE.—The honorable senator has never been a total abstainer?

Senator FRASER. — Never. I have never taken a temperance pledge in my life. I must say that I do not believe in the theory of many eminent medical and other authorities, that when a man reaches the age of forty, or, it may be, fifty or sixty—whatever may be the age they select—he ought to have a little whisky or other stimulant before going to bed at night. For a good many years of my life, as a contractor for large railway works, when I had hundreds of men around me, and there was drinking on every hand, I was exposed to great temptations, and I say that I should not have been alive to-day if I had partaken of grog, as many of my mates did. Some men enjoy it, and may, perhaps, benefit by it. It must be admitted that the world has moved in the direction of temperance. No one who considers the history of the world, and especially of the British race, can deny that. At one time it was no disgrace for a man to go to bed drunk

almost every night, or to be seen staggering about in the streets. A century or two ago it was no disgrace for a man to be seen in that condition, but it is now a very big handicap to any man to have such a stigma attached to him. Therefore, I say the world is moving in the direction of temperance, and properly and wisely so. If the world becomes gradually wiser, as we all hope it will, there can be no doubt that the temperance movement will continue to advance. Most of the troubles of the people, and especially of the people of large cities, are due to excess in drinking. All statistics prove this, and, therefore, every person who wishes well to humanity, must encourage every movement in the direction of temperance. I acknowledge that there are intemperate temperance men, who go to excess in their zeal on behalf of the cause they advocate; but, apart from them, we must all agree that it is not right to put the temptation to drink in the way of human beings who may be weak. The more soldiers, sailors, and other men are exposed to the temptation to drink, the greater the amount of drinking there will be. We should not put this temptation in the way of the soldiers, who have to fight for our country, but we should, on the contrary, encourage them in habits of temperance, as well as in all other good habits. I do not say that canteens should be abolished, but that the supply of drink in canteens should be prohibited. There is no reason why military canteens should not be made as cheerful, and even more cheerful and more conducive to the improvement of the soldier, if supplied with billiard tables, innocent games, and tea and coffee, than they are likely to be if liquor is supplied in them, and the men are induced to spend their hard-earned money in drink. Sam Smith may be a temperance man, and yet, when continually urged to drink in the canteens by his comrades, he may be unable to resist the temptation, whereas outside the barracks or the camp he could refuse to drink. I think that this Bill proceeds in a wise direction. I was a citizen of Canada in my early days, and I know that, in Nova Scotia, the province in which I was born, there has been absolute prohibition for more than twenty-five years, and the people would never dream of going back on that principle. I travelled through the province some twelve years ago, and feeling chilly and cold, I had to go to a banker friend,

to whom I had letters of introduction, in order to get a little drop of whisky.

Senator TRENWITH.—Was that in Nova Scotia?

Senator FRASER.—That was in New Glasgow, Nova Scotia.

Senator TRENWITH.—Then there was not absolute prohibition.

Senator FRASER.—There was, but a banker could give a friend a little whisky without making a charge for it. I have a letter in my pocket, in which a correspondent tells me that in San Francisco at the present time, the police, having nothing else with which to occupy their time, because there is now no liquor sold there, are engaged in helping to rebuild the city. I remind honorable senators also that there has been total prohibition in the State of Kansas in the United States for a very long time. As a result, crime and destitution have been reduced, and the morals of the people have been greatly improved. The people of the State of Kansas would never dream of going back on prohibition, notwithstanding the fact that in some instances individuals in that State have broken the law. Breaches of the law are committed here in Victoria. In this State, publicans are required to sell liquor of a certain quality, but I know that that law is broken. Senator Trenwith is well aware that in this State laws have been passed dealing with the quality of liquor to be supplied, and he knows, also, that that law is not in every case observed, but are we to repeal a wise Statute because we know that its provisions are not observed in all cases? Surely not? We are not going back; we should go forward, and endeavour to elevate humanity in every possible way, rather than to lower it. We should not put temptation in the way of weaklings, and honorable senators are aware that all large towns are full of weaklings, who require to be helped out of the gutter. Only the week before last, a friend of mine gave employment to one of the unemployed. The man was on his uppers, was very much knocked about, and very poorly clad. He made a very poor mouth, and was given employment. He was supplied with a pair of new boots, a pair of blankets, and other things. He was given twelve days' work, and his dinner each day. A cheque was handed to him for his work, and he was brought to the Labour Bureau, and there a railway pass was bespoken for him to enable him to go into the country, where work was awaiting him

for months at 25s. a week and his board. He signed the agreement to take that work.

The PRESIDENT.—Does the honorable senator think that this has anything to do with the Canteen Bill?

Senator FRASER.—I do. This man was a good worker; but when he got his cheque, he spent every shilling he had earned in a few days; the blankets, and everything else that had been given him, were gone, and he was down in the gutter again.

The PRESIDENT.—Does the honorable senator really think that this has anything to do with the Canteen Bill?

Senator FRASER.—I am quoting a case in support of my contention that we should do all we can to encourage temperance in connexion with military canteens. The more soldiers and sailors are tempted to drink, the more they will degenerate. I hold that we should give the principles of this Bill a fair trial. I do not say that the measure will be found to be entirely successful, but I believe that it should be given a fair trial of a few years. While I am not a total abstainer, I believe in supporting every movement designed for the uplifting of humanity. All I contend for is that this proposal should be given a trial, and I shall therefore vote for the second reading of the Bill.

Debate (on motion by Senator MILLEN) adjourned.

Sitting suspended from 6.28 until 7.45 p.m.

AUSTRALIAN INDUSTRIES PRESERVATION BILL.

SECOND READING.

Debate resumed from 15th August (*vide* page 2832), on motion by Senator PLAYFORD—

That the Bill be now read a second time.

Senator TRENWITH (Victoria) [7.45].—When the debate was adjourned last night I was engaged in pointing out that there is not the difference in favour of agriculture as against manufactures which some honorable senators assume. In doing so I referred to the pastoral, dairying, and agricultural resources of New South Wales in comparison with the manufacturing resources, and quoted the gross output in both instances. By interjection Senator Playford implied that that was not a fair method of comparison. In opposition to that view, I venture to say that the gross output, or the net output in both instances

affords a fair basis of comparison. It is not very easy to arrive at the net output in connexion with agriculture, because the figures are not recorded in our statistics, although in the case of pastoral and agricultural pursuits there are raw materials, which have to be deducted before the net results can be obtained. Therefore I contend that the method I adopted was the only one possible, and is perfectly fair. When speaking about the harvester people and their profits, I quoted from their advertisement as briefly as I could in order to save the time of the Senate, but Senator Findley repeatedly interjected that I was not dealing fairly with the statement; and, in order to meet that objection, I purpose now to read the whole statement. It is a statement of the cost and the profit which they at that time claimed to be making. Here is how it is presented—

The ones that sell for	...	£81	0	0
And are invoiced to us at	...	38	10	10
Leaving a gross profit of	...	42	9	2

Then they go on to show "where the profit goes to." They enumerate the avenues for the absorption of their gross profit—

Where the gross profit goes to—				
Casing, packing, railway, ocean freight, marine insurance, and exchange	...	£9	1	5
Wharfage, stacking, inward cartage, receiving, and setting up	...	3	2	1
Duty, prior to present increase	...	5	4	7
Outward cartage, delivering, traveller's salary and expenses, starting, expediting, collecting, general expense, and local agent's commission—per sworn evidence of local manufacturers before Tariff Commission—i.e., 27 per cent. of retail price	...	21	17	5

That, I assume, is the point on which Senator Findley urges that I am not treating the harvester people fairly. Obviously this is their statement of where their gross profit goes to, and that one item amounts to £21 17s. 5d. The only point is that they make that statement as indicating one of the avenues through which their gross profit disappears. In support of it they quote the sworn statement of the manufacturers. They do not deny that that is their charge. They put it down as an item of their cost, and one of the means of absorbing their gross profit, and they support it by the declaration that it is "as per sworn evidence" of their competitors and rivals. Therefore it proves, if it is put there for any purpose, the perfect accuracy of the statement. At any rate, if

—Senator Trenwith.

it is not put there for that purpose, why is it there? It is there to show that that is where their gross profit goes to. Therefore, I was treating them perfectly fairly, although I did not make that quotation. In order to be perfectly free from the charge of unfairness, I shall read the complete statement—

Our profit	...	...	...	3	3	8
				£42	9	2

That is what they declare to be their profit at that stage. Then they go on to say—

Remember, local manufacturers say—and the Minister of Customs confirms them—that our cost is more than £38 10s. 10d.

Remember that we can and will, on his request, verify to the commercial editor of the *Argus* (or to the *Age*) every figure of the first three items of our expenses as stated above. The fourth is stated on the authority quoted.

Remember that out of the above expenses of £39 5s. 6d., all except the first item—that is, £30 4s. 1d.—is spent in Australia.

It will be observed that they make a merit of the fact that the money is spent in Australia. If that is a merit, it goes without saying that it would be a greater merit if the whole amount were spent in the construction of the machine here.

Remember that the recent increase in the valuation for duty increases the duty paid by us from the above figures to £8 2s. 6d., or an increase of £2 17s. 11d., and hence reduces our profit, as shown above, to 5s. 9d.

That is what I stated last night, and it is evidently borne out by their figures. I do not propose to pursue the argument on that head, because I went into it fully last night. I have read the statement in order to show that there is certainly no unfairness in my method of treating that particular point.

Senator HIGGS.—They say that because they use the words "as shown above" they do not accept any responsibility for the local manufacturers' sworn statement.

Senator TRENWITH.—That is absurd. They simply appeal to the sworn evidence in verification of their own statement of that particular expenditure. Last night I fell into an inaccuracy in trying to calculate on my feet. I gave the figures for harvester sales in South Australia in 1905 as 603, as quoted by Senator Symon, but on looking into the matter, I find that I left out some factors, and some very im-

portant ones too. It turns out that the aggregate sales were over 800, and that the importers' sales—that is, Massey-Harris Company and the International Harvester Company—were 299, therefore they were not, as I claimed last night, nearly one-half, and to that extent my argument on that point is weakened. However, although they were not nearly one-half, they were very considerably more than one-third of the whole trade in South Australia. That achievement in two, or, at the most, three years, does, as I urged last night, show a very great danger indeed to the local industry. I do not propose to pursue that argument except to correct the error I made. I do not wish to present any array of figures which are not perfectly accurate so far as I am able to make them. It will be recollected that when I quoted the pastoral returns from memory Senator Millen interjected "for what year," and, thinking that I was correct, I said "for 1902." He interjected that that was a year of almost absolute failure, as it was. On looking up the matter, I find that I quoted the figures not for 1902, but for 1901, and, therefore, the objection does not lie. In endeavouring to show that there was no reason for the introduction of the Bill, Senator Symon said that the agricultural implement industry, so far from being injured or retrograding, was advancing by leaps and bounds, and, in order to prove that contention, he quoted some figures. He said that in 1902, 789 hands were employed. Leaving out the three intervening years in order not to weary the Senate, the honorable senator came to the year 1905, and said that 1,624 hands were employed, or, as he put it with great emphasis, nearly twice the number that there were four years previously.

Senator Sir JOSIAH SYMON.—More than twice.

Senator TRENWITH.—I interjected, "Does it strike the honorable senator that the year he quotes was a year of absolute failure nearly throughout Australia in connexion with wheat?" and he said that he was not aware that it was.

Senator Sir JOSIAH SYMON. — But the subsequent increase is gradual.

Senator TRENWITH.—It is singular that the honorable senator did not quote in this connexion the figures for the year which he quoted in connexion with the sale of harvesters in South Australia. I do not believe that he would be capable of inten-

tionally making an unfair use of figures; but, still, the fact is that if he had quoted for the same year in each case—in 1900 harvesters were not made in South Australia or imported from America or Canada—he would have found that in 1900 1,551 hands were employed in Victoria, and that there had been a decrease from the year for which he commenced to quote. I do not attach very much importance to that, except that he will see now, on looking at the whole matter, that it would have been fairer to have commenced with the year 1900, and shown the decline as well as the subsequent gradual increase.

Senator Sir JOSIAH SYMON. — What I wanted to show was that the Federal Tariff had not destroyed the industry.

Senator TRENWITH.—As regards the articles to which the honorable and learned senator was referring, there had been a very distinct falling off both in point of reduction and in the number of hands employed. It happens that the agricultural implement trade has been extremely busy in other directions, and that is in consequence of the exceptional seasons we have had since 1902.

Senator Sir JOSIAH SYMON. — Only the last two.

Senator TRENWITH.—In 1903 the season was exceptionally good in a large part of the northern area of Victoria; 1904 and 1905 were good years, and the present year is, perhaps, still better. At any rate, there has been an exceptional period of good agricultural seasons coming after a somewhat lengthy period of comparative drought, and that has led to a very large increased activity in every department of the agricultural implement trade, very notably in ploughs. A larger area has been put under cultivation, and therefore many more ploughs have been required. It happens that Australia—especially Victoria and South Australia—has developed extreme skill in the manufacture of ploughs suitable for local requirements, and the ordinary agriculturists will not have any of the ploughs which the trusts, so far, have been able to import. That has been largely responsible for the undoubted improvement in some branches of the agricultural implement trade. But, unfortunately, there is a very imminent danger of a further incursion into that trade by the trusts. It is a matter of common knowledge that these foreign firms—I do not wish to speak

of them in an offensive way—have recently made several field trials, secret as far as the rest of the community is concerned, with our ploughs of different kinds, under varying conditions, with a view to discover the best points in them, to copy them, and send patterns to America, so that they may be manufactured there, and sent out to compete with our manufacturers of ploughs, as they have already competed with our harvester-makers. I pointed out last night how unfair, and how evidently designed to destroy an Australian industry, this competition in harvesters has been. I pointed out how it has been conducted apart from any ordinary considerations of business and profit in relation to immediate sales—that it has been conducted to all appearances with a view to future possibilities. Harvesters have been sold at an undoubted loss, according to the importers' own figures, of £12 6s. 3d.; because if they were only making a profit of 5s. 9d. when they were selling the machines at £81, it is obvious that when they are selling them for £12 12s. less they must be losing £12 6s. 3d. on every machine sold. And it was proved to us yesterday by Senator Best that that is not by any means the lowest reduction which has been made. He gave instances where harvesters had been sold for £50. If the makers were only getting 5s. 9d. profit when selling at £81, how much profit can they have made when selling at £50? Is it not obvious that they must have been selling them, not with a view to profit on sales, but with some ulterior end in view? Senator Millen asked how "intent" will be proved. He said that "intent" can only be proved by the results of an act. Obviously that is an absurd contention. There are many acts which, if committed unintentionally, are not offensive, although the results may be disastrous; but if committed intentionally they are offences at law, and punishable as such. Take the most serious offence known to the law—murder. Killing is not necessarily murder, and is not necessarily punishable. Killing is only punishable when there is some intent to kill; and very often it is only possible to find out the intent by the manner of the act which led to death. The same result, death to the individual killed, is no proof of the criminality of the person who did the killing. Therefore we find out, not by the result, which Senator Millen says is the only means of finding intent, but by the circumstances surrounding the act. For instance, if in some occupation or sport in

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which two persons were mutually engaged, one killed the other accidentally, that would be no offence at law. It would be a sad occurrence, for which every one would be very sorry, but there would be no stigma, and no punishment. But if two persons were in company, and one left the other, got a hammer, came back, and deliberately hit his companion on the head, the result would be the same—death; but the intent would be clearly shown by the manner of creating the result. So it would be in considering intent under this Bill. We shall be able to arrive at the intent by the manner in which results are produced. If those industries that we are considering, and the circumstances of which were mainly instrumental in causing the introduction of this Bill, are destroyed, we shall be able to affirm the intent or otherwise of those who brought about that result by the manner in which the destruction was occasioned. Clearly one evidence of intent would be the act of persons who by their commercial methods brought about that destruction. If they went against all the canons of ordinary commerce and lost heavily, repeatedly, and continuously, in order to achieve the destruction of the Australian industry, surely that would be proof of intent, and would enable us to proceed to punishment if we so desired. Senator Symon urged, as a reason why we should not pass this Bill, that there is no precedent for it. There is no place in the world, he said, where there is such legislation. That is no argument against it.

Senator BEST.—It is not a fact, either.

Senator TRENWITH. — If it were it would be no argument. As a matter of fact, it is a contention which, when argument fails, is brought against all proposals for reform. It was brought against our proposal to purify government by better electoral methods, and by introducing what is known in all countries of the world as the Australian ballot. The strongest argument urged against it was that it was new, that it did not prevail in any other part of the civilized world, and that no other country had ever adopted such a thing. But we adopted it, and we are proud of having done so. To-day civilized countries in all parts of the world have either adopted the Australian ballot or are talking of adopting this very beneficent method of ascertaining the will of the people. Therefore, I have no hesitation in saying that if

it is a fact that there is no precedent for this kind of legislation — and it is undoubtedly a fact that there is no country which has a law of which this Bill is an exact copy—there is any amount of precedent for the passing of some Bill of the kind, and abundant evidence that efforts have been made that have not gone the length of this Bill, and have consequently been ineffective to cure the undoubted evil with which we propose to deal. Senator Symon also urged that we should not adopt the Bill, because it is experimental. Are we never to make experiments in legislation? Would civilization have reached the high standard to which it has attained except for experiments? Has not all physical science arrived at its present high standard in consequence of repeated experiments, many of which failed at first, but which, even in failure, showed the way to other experiments that were successful? If we are not to pass this measure because it is experimental, we must not do anything that has not been proved to be efficacious by experience. Every one will admit that that would be an absurd position to take up. It is a position that, I think, Senator Symon would not seriously take up, and I venture to express the opinion that he would not have assumed it in relation to this Bill, except that there were no real and tangible reasons why we should not adopt it. Medical science has advanced within the last half century—surgery particularly—with immense strides. Every one knows that it has only advanced in consequence of the frequently repeated, persistent, determined efforts of experimenters, who have not been deterred from pursuing their researches by any amount of failure and disappointment, or of labour and trouble. In connexion with mechanical science, exactly the same thing has happened. Men of mechanical genius have experimented again and again, and have endeavoured to ascertain if something could not be devised which would be an improvement upon any appliance previously known. They have ultimately achieved success, and have benefited the world by fresh advances in mechanical skill and knowledge. The very harvesters of which we have been speaking would never have been brought into existence if many experiments had not been made. Mr. H. V. McKay, who has been so traduced in this debate, notoriously experimented unsuccessfully for years—experimented with

his own money, experimented with the money of his family, experimented with the money of his friends—persisted in the face of failure after failure, and disappointment after disappointment, until eventually he succeeded, and became, as Senator Milten contemptuously declared, Hugh “Victorious” McKay. He became “victorious” in this long drawn-out struggle only after a great number of experiments. By means of experiment we have become enabled to measure the heavenly bodies, to weigh them, to follow them in their orbits, to predict the period of their return, and to declare with perfect accuracy coming events in connexion with them. By experiment we have been able to stretch forward our hand, seize the hurricane in our grasp, and utilize its force to carry us from shore to shore. By experiment we have been able to bottle up the electric current, and to convert it into a ready and useful servant of mankind. By experiment we have been enabled to harness the torrent in its course, and convert it into a servant of great docility and power. And as we have done all that in the field of physical science, shall we be told that we must not experiment in economics, that we must not experiment in social science, because we have no guarantee of successful results from experience in other countries? To adopt that counsel would be absurd. I hope that we shall experiment in this connexion. I hope that we shall make many experiments that will improve the position of the people of this country, that will add to its prosperity, and that will tend to give fruition to the new watchword “Australia for the Australians.”

Senator PULSFORD (New South Wales) [8.14].—I think that now we have heard Senator Trenwith we have heard pretty well everything that can be said in favour of this Bill. I propose, in the first place, to refer to some matters brought under our notice in the papers laid upon the table by Senator Playford. In connexion with trusts in America, to which attention has been directed, there are certain features which, I think, we may accept as a warning not to be hasty or rash in our movements. In 1903 two Acts were passed in the United States, clearly with the object of lessening the trouble which had been found to arise from previous legislation. The first was what is known as the Expedition Act, which was intended to lessen the delay experienced in dealing with cases—delay which, it appears to me, represents

one of the greatest risks to which legislation of the kind under discussion may expose the trade and commerce of Australia. Under the Bill very important portions of our trade might be so "hung up" as to inflict the greatest injustice on the parties concerned, and most serious injury on the Commonwealth generally. The Act I have mentioned provides that precedence shall be given to anti-trust cases, which have to be expedited in every way, and be assigned for hearing at the earliest practicable day. That, I take it, shows that in the United States the application of the Sherman and other Acts was likely to be accompanied by injustice. The second Act that was passed in the United States in 1903, is that known as the Elkin Act, under which imprisonment penalties are abolished. According to the information which has been circulated, the Elkin Act provides—

In all convictions occurring after the passage of this Act for offences under said Acts to regulate commerce, whether committed before or after the passing of this Act for offences under this section, no penalty shall be imposed on the convicted party other than the fine prescribed by law, imprisonment wherever now prescribed as part of the penalty being hereby abolished.

That is further evidence that in the United States it had been discovered that the anti-trust legislation, as originally conceived, might possibly inflict grave injustice; and that ought to act as a warning to us. I should also like to direct attention to what has been done in New Zealand, a country where there has been considerable experimental-legislation. It is worthy of notice, however, that in dealing with the question of dumping, the legislation of New Zealand provided for the appointment of an Agricultural Implement Inquiry Board, consisting of the President of the Arbitration Court, the President of the Farmers' Union, the President of the Industrial Association of Canterbury, and a nominee of the Trades and Labour Council, and a nominee of the Agricultural and Pastoral Associations. Before anything could be done under the Anti-Trust Act, the representatives of the agricultural industries of New Zealand had the opportunity to make themselves heard. There is no such caution observed by the Government of the Commonwealth. There is no proposal to "go slow" in the interests of our myriad producers; the only thought in the minds of the Government is to go "full steam ahead" in the interests of a few manufacturers of agricultural implements. In

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the further memorandum relating to anti-trust legislation there is some information given as to the decisions of the Federal Courts in the United States. The Supreme Court declared—

Although the jurisdiction of Congress over commerce among the States is full and complete, it is not questioned that it has none over that which is wholly within a State, and therefore none over combinations or agreements, so far as they relate to a restraint of such trade or commerce. It does not acquire any jurisdiction over that part of a combination or agreement which relates to commerce wholly within a State by reason of the fact that the combination also covers and regulates commerce which is Inter-State. The latter it can regulate, while the former is subject alone to the jurisdiction of the State.

In the Bill there are two or three clauses which, in my opinion, are very likely to impinge on States rights, and it is instructive to observe what the view of the Supreme Court of the United States is on this point.

Senator BEST.—Under a totally different Constitution.

Senator PLAYFORD.—No analogy can be drawn.

Senator PULSFORD.—I know there is some difference between the Constitutions, but the rights of the Australian States are very clearly defined. I do not intend to labour this point, but I know that a number of authorities believe, and strongly assert, that certain provisions in the Bill are likely to come in conflict with States interests and legislation.

Senator TRENWITH.—Does the honorable senator mean that provisions are likely to come in conflict with States interests, in violation of the Constitution?

Senator PULSFORD.—Yes. On page 9 of the further memorandum there is a tabulated digest of the anti-trust laws of the United States; and this information is of considerable interest and importance. In Arkansas the combinations prohibited are all which tend to lessen free competition in importation, production, or sale of goods. The Bill before us, on the other hand, has clearly been introduced in order to increase the difficulties in the way of importation. A similar law to that which I have indicated as prevailing in Arkansas obtains in Georgia, Indiana, Minnesota, Montana, North Carolina, North Dakota, South Carolina, South Dakota, Tennessee, Texas, Utah, and Wisconsin. All the anti-trust legislation of those States is aimed largely—

Senator PLAYFORD.—At the carrying companies.

Senator PULSFORD.—It is aimed largely at people who try to check the importation of goods. In the Bill before us the Government are doing their utmost to make an addition to the Tariff for the purpose of checking importations, and practically encouraging combinations against importers. One point dealt with by Senator Playford in introducing the Bill I must refer to. Dealing with the connexion between trusts and Tariffs, the honorable gentleman said—

Amongst my papers, and I think amongst the papers which I laid upon the table, there are some extracts which show that, next to the United States, England is the great country of trusts. Our free-trade friends say, and say loudly, that the trusts and combinations which are supposed to work so injuriously in the United States, are the product of protection, and that trusts and combinations are not so prevalent in other countries. In Europe, France is one of the most protectionist countries, whereas, the only free-trade country is England. France, the protectionists' country, has hardly any trusts, but England, the free-trade country, has more trusts than any protectionist part of Europe. The argument of our free-trade friends, therefore, will not hold water.

I propose to look at these utterances in the light of the paper written by Mr. Tregear, the Secretary of Labour in New Zealand, to the Minister of Labour in that Colony. I have read the report of Mr. Tregear with great pleasure, because it is drawn up with ability, and bears on its face the marks of honesty. In short, it is a report from which any one may quote with thorough confidence.

Senator FINDLEY.—And it is drawn up by a Socialist!

Senator PULSFORD.—I am aware that Mr. Tregear is described in some quarters as a Socialist, and that he has been refused permission to come to Victoria on that ground. But whether Mr. Tregear be a Socialist or not, he is at least an honest man. I should have been glad if the subject of the Tariff had not been introduced into this debate, but after what has been said regarding it by various speakers, I must refer to some points. Speaking of Tariffs, Mr. Tregear says—

The preponderance of opinion is strongly in favour of the position that much of the power of trusts is owing to protection by Tariff.

Further on Mr. Tregear says—

So widely has the knowledge of this fact obtained credence that the saying "The Tariff is

the mother of trusts" is a modern proverb. It is impossible to deny that in the United States the Tariff gives the beneficiaries of it a monopoly to the extent that their foreign competitors must pay the cost of production abroad, the freight, and the Tariff duty before they can enter into competition. In the first year of business of the Steel Trust, its Tariff benefits amounted to \$72,600,000.

This sum equalled two-thirds of its first year's profits, so that taxes amounting to over \$70,000,000 a year had to be placed on other industries; or, to put it in another way, the revenue lost \$70,000,000 of duty in the year in order to build up the dividends of this Steel Trust; the average tariff paid on articles controlled by the trust being about 50 per cent.

Then at page 9 he also says—

There is little doubt that many of these trusts paying large dividends do so by means of, or by help of heavy protective duties, thus:—The Oil Trust, protected by an average of 17 per cent., pays dividends of 40 per cent.; the Window Glass Trust, protected by an average of 50 per cent., pays dividends of 15 per cent.; the Sugar Trust, protected by an average of 85 per cent., pays dividends of 17 per cent.; and the Cement Trust, protected by an average of 23 per cent., pays dividends of 33 per cent.

So far for America. Now I turn to England, and I find that at page 16, Mr. Tregear writes—

Agreements regarding prices and other objects have been for a long time in force, but of late years the tendency towards consolidation has been very marked, and the coalitions have in many cases taken the form of trusts or single corporations. Of these, several take prominent places on account of their large capitalization, and of the amalgamated firms they represent. Among these may be noted the following:—

Name.	No. of Firms.	Capital.
Wall-paper Manufacturers' Association ...	30	£4,200,000
Associated Portland Cement Manufacturers ...	34	£8,000,000
United Alkali Company ...	49	£8,500,000
The Calico-printers' Association ...	60	£9,200,000
English Velvet and Cord Dyers' Association ...	22	£1,000,000
Fine Cotton Spinners' and Doublers' Association ...	40	£6,750,000
The English Sewing Cotton Company ...	15	£3,000,000
J. and P. Coats (Limited) (Sewing Cotton) ...	—	£7,408,000
Bradford Dyers' Association	30	£4,750,000
Bleachers' Association (Ltd.)	53	£8,250,000
The Salt Union ...	—	£4,200,000
British Oil and Cake Mills...	17	£2,250,000

Senator PLAYFORD.—These are only examples.

Senator PULSFORD.—I am giving the information supplied by Mr. Tregear. He says—

These may be taken as examples of some of the larger combinations engaged in England.

Senator PLAYFORD.—That is what I say, they are only examples.

Senator PULSFORD.—The honorable senator may as well take his gruel quietly.

The capital invested in well-known and fully-organized trusts of this class may be roughly estimated at £100,000,000. Such a sum, however, sinks into insignificance compared with the stocks and bonds which represent a capitalization of single American trusts such as the Standard Oil Company and the United States Steel Corporation.

Senator PLAYFORD. — My comparison was between Great Britain and France, and the honorable senator, after making a comparison in another way, says that I am wrong.

Senator PULSFORD.—I know precisely what the honorable senator said. He said that his free-trade friends were wrong. At page 17 of the paper supplied, Mr. Tregear writes—

The cry for "publicity" which has had such an effect lately in shaping American anti-trust legislation, finds little echo in Great Britain, because secrecy in the methods of organization gains no shelter under the English law dealing with corporations. The promotion of companies must be done in full light. The general process of the formation of a corporation is somewhat as follows:—The promoter goes to the persons engaged in the industries in question and shows them the advantages of coalition. In the United States he probably takes an option to buy all the establishments at a fixed price in cash. He then organizes the affair, selects the first board of directors and managers, and offers the vendors the choice of taking their payments in cash or shares. In England, however, no such definite rule is followed. The vendors either sell at a valuation fixed by appraisers, or the property is purchased on a profit basis, certified accountants having first investigated the books of the company. If contracts are made by a corporation for purchase of property in this way, such contracts must be filed with the Registrar of Joint-Stock Companies, so that the public may examine them and understand the value of the shares offered for purchase. There are modes of defeating this publicity sometimes attempted by astute brains, but seldom by men who have reputations to lose or in corporations based on substantial assets, for such combinations have nothing to fear from publicity. If accusations are made concerning "watered" stock in English trusts, it will generally be proved that the "water" is not more than 20 per cent. of the capital, and represents the good-will of the amalgamating business, while the other 80 per cent. stands for tangible assets.

I think that that statement gives the position with thorough accuracy. We all know that there are trusts in England. Nobody has ever suggested that there were not. But, as Mr. Tregear says, they are infinitesimal compared with the trusts in the United States; and also, as Mr. Tregear

says, the trusts in the United States spring very largely from, and are the off-spring of, Tariff protection. Senator Playford told us that trusts are not necessarily all bad. He quoted Mr. Tregear, who makes statements on that point of his own knowledge, and also statements by Mr. Morrell, of the United States House of Representatives, which I need not read. But I should like to point out that although Senator Playford is willing to admit that trusts are not necessarily all bad, in this Bill all trusts are condemned.

Senator PLAYFORD.—No.

Senator TRENWITH.—Only trusts that try to strangle Australian industries. Unless they do that this Bill will not touch them.

Senator PULSFORD.—Honorable senators must pardon me. Clause 6 of this Bill provides that—

For the purposes of the last two preceding sections, unfair competition means competition which is unfair in the circumstances; and in the following cases the competition shall be deemed to be unfair unless the contrary is proved:—

(a) If the defendant is a Commercial Trust.

So that if the defendant is a commercial trust this Bill says that his competition shall be deemed to be unfair.

Senator PLAYFORD.—We throw upon him the onus of proof that his competition is not unfair.

Senator PULSFORD.—The honorable senator declares that some trusts are beneficial, or that all are not necessarily bad, but the Bill says that a commercial trust is bad, and its competition shall be deemed to be unfair.

Senator DOBSON.—It is necessary to prove intent to injure an Australian industry.

Senator PULSFORD.—No, no; clause 6 is quite apart from that. There is in this clause the absolute statement that if the defendant is a commercial trust his competition shall be deemed to be unfair.

Senator PLAYFORD.—And he must prove the contrary.

Senator PULSFORD.—It is ludicrous for the Minister to admit, as Senator Playford has been obliged to admit, that all trusts are not necessarily bad—he could not look honorable senators in the face and deny that some are beneficial—and then to ask us to pass a Bill which treats all commercial trusts as bad. It is admitted that some trusts are beneficial.

Senator PLAYFORD.—Then they have only to prove it.

Senator PULSFORD.—There is another statement made by Senator Playford, which I must look into. It is a statement with regard to dumping. The honorable senator read out a somewhat lengthy list of goods exported from America, which he said were dumped in other countries.

Senator PLAYFORD.—I do not think I used the word "dumped" in connexion with those goods. What I said was that they were exported for sale at a price lower than the cost price in the country of export.

Senator PULSFORD.—The honorable senator said—

That long list, which honorable senators may examine for themselves, shows the percentage of difference between the export prices and the home prices in the case of fifty or more different articles. The preference in favour of the country to which the goods are exported ranges from 13 per cent. to as high as 261 per cent. . . . The figures represent the difference between the home prices and the prices at which the goods are sold to people abroad, and the average difference, I should say, is considerably over 50 per cent. The list will give honorable senators some idea of the dumping that was going on.

I thought the honorable senator had connected dumping with that list of goods.

Senator PLAYFORD.—It is not necessarily dumping in Australia.

Senator PULSFORD.—At page 9 of Mr. Treagear's report he quotes from a speech delivered by the Honorable J. P. Crowley, of the United States House of Representatives, on the 14th January, 1903, to the following effect:—

After having investigated this subject for more than ten years, I have reached the conclusion that practically all of our manufactured products are sold to foreigners for less than to Americans. The minimum difference is about 10 per cent. The average difference in price is probably 20 per cent., and on our really protected products about 25 per cent.

That is the estimate of a member of the United States House of Representatives, but Senator Playford is not willing to accept that.

Senator PLAYFORD.—I submitted a list of particular goods, and if the honorable senator will run up the prices quoted for those goods he will see that the average difference was 50 per cent. The member of the United States House of Representatives from whom the honorable senator has quoted was dealing with the whole of the export commerce of the country.

Senator PULSFORD.—Surely Senator Playford, in supplying his list, wished to represent the state of affairs?

Senator PLAYFORD.—So far as the goods contained in that list were concerned.

Senator PULSFORD.—I have gained something when the honorable senator climbs down in that way from the position he assumed.

Senator PLAYFORD.—I do not climb down. I said, "Here is a list in connexion with which the difference ranges from 13 to 260 per cent., and the average difference is about 50 per cent."

Senator PULSFORD.—Then the honorable senator does not tell us to-night that 50 per cent. represents the average difference?

Senator PLAYFORD.—Yes, for that list it does.

Senator PULSFORD.—Then that list is not representative of the American trade?

Senator PLAYFORD.—It does not represent the whole of it, and I did not say that it did.

Senator PULSFORD.—Then the honorable senator admits that the average for that list is not the average in respect of American exports generally. We have gained something by that admission. The statement as to the allowances made to foreign countries was undoubtedly made with a view to win support for the dumping provisions of the Bill. With regard to this matter of allowances, I shall draw the attention of honorable senators to some of the items in the list given by Senator Playford, in order to show that the difference in some cases is natural, can easily be explained, and does not represent what is commonly described as "dumping." Honorable senators know that many articles of trade which are produced in one country and sold in another, or even sold in the country of origin, have to be advertised very largely, and need a great deal of pushing by travellers and representative firms, and that the expense in that connexion is very great. An article may be produced in Australia, and may have to be advertised here a good deal, and if it is sold in another part of the world it has to be freely advertised there. The price at which the article is sold in Australia includes the cost of advertising, as a profit must be made on that. If it is sold abroad it must be advertised there; but a manufacturer does not consider the price he gives

abroad as his price plus the cost of his own advertising. Bradbury's pianos are sold in the United States for local use at £75, and for export at £60. It is well known what a large trade is done in American sewing machines. I believe that every honorable senator is thoroughly conversant with the course of business in that regard. We see sewing machine agencies here, there, and everywhere, and canvassers going about, and we know that the pushing of the business entails a very large expenditure. The price obtained in America includes the expenditure there in pushing in these various ways sewing machines, pianos, and so on. But when manufacturers sell for export they sell at their own price, so that their representatives, or their buyers abroad, have the margin, which they expend abroad in advertising, and very largely it is a misunderstanding of the facts of the trade in regard to harvesters which has caused the misapprehension existing in the minds of a good many honorable senators. Typewriters is another very important article of American export. In America a typewriter is sold at about £20, but for export the price runs from £11 to £13. Every one knows, I suppose, that the agents of American typewriters are amongst our largest advertisers, and that they spend a very great deal of money. Although typewriters are sold for export at from £11 to £13 each, they are not sold at such a price in Australia. The ordinary price of a typewriter here is between £20 and £30, and, I believe, generally nearer £30 than £20. The difference is accounted for by the expenses which have to be incurred, and the profits which have to be maintained. The outcry against this sort of thing is largely due to complete ignorance of trade conditions on the part of some persons, and the astuteness of others in taking advantage of that ignorance, and foisting upon parliamentary institutions a claim for allowances which ought not to be recognised. Honorable senators know very well that some articles are so bulky that the cost of transit is so great that it precludes their being sent here. For instance, coal is not sent from England to Australia. Bricks and bread are not sent from other countries. Those articles cannot be sent. Natural conditions are altogether against that being done, and it is largely so with the harvesters, which are articles of very great bulk. The cost of moving a harvester, packed as closely as possible, from Toronto to Melbourne or Sydney, is very great. I

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believe it represents a natural protection of about 40 per cent. to the Australian maker. Really, harvester makers are about the last persons in Australia who should cry out for special protection. I desire to give honorable senators a most extraordinary illustration of the difference that may arise in the matter of price. The facts were brought out in a law suit in Sydney a few months ago. An agent for an American medical firm imported 15 cwt. of pills in bulk. He paid Customs duty on a value of £154. That seems a good deal of money for 1,500 cwt. of material. But what did the Customs say? They said, "This stuff, when packed in boxes, is sold in America at so much a box. This quantity will make so many boxes, and at that price it will represent a value of £2,160. You have undervalued the shipment enormously. We want £300 more duty, and we demand from you a penalty of three times the value, or £6,480." The case was dealt with by Mr. Justice O'Connor, and in lieu of £6,480 he awarded to the Customs a penalty of £5. He stated that it amply met the case, as there was no moral guilt. I ask honorable senators to recollect that £5 is the minimum fine. Possibly if the Customs Act had not prevented his Honour he would have inflicted a penalty of only 1s.

Senator PLAYFORD. — He ought not to have inflicted any fine if there was no wrong done. The fact that he inflicted a penalty of £5 shows that there was some wrong on the part of the importer.

Senator PULSFORD. — Mr. Justice O'Connor said that there was no moral guilt. The Minister knows very well how he and other gentlemen of his way of thinking built up the Customs Act in order to catch persons on technical points, and to land innocent men in gaol, as they often have done.

Senator PLAYFORD. — I administered a similar Act for a good many years, but I never landed any one in gaol, though I made one man pay a fine of £500.

Senator PULSFORD. — I have no doubt that if many cases in which imprisonment has been awarded in the Commonwealth had come before the honorable senator in South Australia he would have taken care that no such penalty was allowed to be inflicted, because he would have found means and ways of avoiding the trials which have disgraced the Commonwealth so much. The

case I cited will give honorable senators an idea of what is possible in regard to valuations.

Senator PLAYFORD.—In regard to physics evidently.

Senator PULSFORD.—In that case the difference was enormous. A difference, although to a smaller extent, exists in countless other lines of trade, and the fact is not recognised by Ministers, or by many of those who argue most loudly for this very drastic Bill. I wish to refer to one or two statements made by Senator McGregor, who, I regret to see, is not present. In his speech he referred at some length to the United Shoe Machinery Company, which he held was not a fairly conducted concern. He said—

Whilst the United Shoe Machinery Company was carrying on its business legitimately there could be no objection to it, nor is there any very serious objection to it now. But, like the sugar monopoly and the tobacco monopoly, this company is now spreading its nets over the boot and shoe industry of Australia in such a manner as to threaten to exclude every one else. I should like to ask honorable senators whether they believe that there is any genius, intelligence, and perseverance to be found amongst the people of Australia? I know that we have people possessed of all those qualities, and it is the duty of the different Parliaments of Australia to give them every opportunity to display them to the fullest possible extent.

I hold in my hand a circular letter which bears the signature of the leading boot and shoe manufacturers in New South Wales, Victoria, and South Australia. They write as follows:—

In the development of this industry, Australian manufacturers, like their competitors elsewhere, obtain most of their machinery, and a certain proportion of their material, not procurable in Australia, from other countries. They must, therefore, maintain relations with firms or companies manufacturing or handling these goods in Europe and America. Amongst these are at present five corporations in England and America, which are styled "Commercial Trusts" in the Australian Industries Preservation Bill. The boot manufacturers are pleased to be able to assure honorable senators that their business relations with these bodies have been, and are, satisfactory, and they wish them to continue so. The manufacturers are, therefore, anxious that nothing should be done by the Legislature to render legitimate business transactions with these corporations difficult or uncertain, as while Australian trade is a small item with these large corporations doing business in all parts of the civilized world, it is of great moment to Australian manufacturers to keep in touch with these sources of supply. In other words, commercial trusts in Great Britain and America can do without Australian trade, but Australian manufacturers cannot do without the goods produced and controlled by these bodies.

At some length the writers describe how the United Shoe Machinery Company and others bring out special machines, and also expert workmen to erect them, and instruct manufacturers in the use of them. In this connexion they say—

To show the extent to which the company's experts have been useful to Australian manufacturers, upwards of 5,300 calls for assistance were responded to in Sydney and Melbourne alone in the year 1905. This feature of the business has to be borne in mind in connexion with the leasing and royalty system, as the services of the experts in connexion with keeping the machines in order are given to the manufacturers without charge by the company.

It is quite evident that the relations at present existing between this company and the boot and shoe manufacturers of Australia are highly satisfactory, and that Senator McGregor need not have troubled honorable senators with any gloomy fears upon that point. Senator McGregor also made a grave charge against the company. He referred to some agreement which Mr. Henry Best, of Collingwood, had with the company, under which, he said, Henry Best obtained a machine which he thought would be more efficient, and set it up in the same room with a Goodyear machine. He said—

It has been said that the notice for the termination of the contract was given not on that account, but because Best owed the company some money. But it is a very peculiar fact in connexion with this incident that, when the other machine was refused, the Goodyear machinery was allowed to stand there, and has been in operation in the factory ever since. I have here a letter from Mr. Edward Fitzgerald to Henry Best and Company—

"Imperial Chambers, Bank-place,
"Melbourne, 15th February, 1905.

"Dear Sir,—Referring to our interview with you this morning by the Melbourne manager of the United Shoe Machinery Company, when notice of cancellation of your lease from the company was served on you, and you forcibly refused possession of the leased machines, I am now instructed to give you notice that if delivery of the said machines is not given to the local office of the lessor on or before Saturday next, the 18th inst., legal proceedings will be instituted for their recovery—for all sums due and owing by you and damage for illegal detention.

"Yours truly,

"(Signed) EDWARD FITZGERALD."

That is Senator McGregor's accusation. I have the following statement in answer from the people concerned:—

Senator McGregor, in his speech in the Senate on Friday, 10th August, is reported to have said in reference to the matter of Henry Best, boot

manufacturer, Fitzroy, that the company cancelled its lease to him of certain royalty machines, and caused a solicitor's letter to be sent to him demanding possession thereof on the ground solely that the said Henry Best had introduced into his factory a machine supplied to him by one of the company's competitors in trade.

Answer—

The above statement, if correctly reported, is inaccurate, and the distorted facts are assumed to have been furnished by persons seeking to do damage to the company's reputation and its trading relations with its customers.

The actual facts are that Henry Best was for some months prior to February, 1905 (when the company cancelled his lease) indebted in a large sum of money to the company, his royalty payments were greatly in arrear, and though frequent applications had been made to him at intervals of many months, he had failed to make any payments on account or any overtures for a settlement.

Owing to this failure only, the company was forced to threaten through its solicitor to remove its machines, and this action speedily brought about a settlement.

The annexed affidavit of Henry Best corroborates the true version of the facts, and the annexed extract of an interview with him four months after his financial trouble with the company clearly shows his opinion of its system, and its incomparable benefit to his trade and business.

Attached is the following affidavit of Mr. Henry Best:—

August 14, 1906.

Having seen in *Herald* of 10th inst., a statement purporting to have been made by Mr. McGregor in the Australian Senate, speaking on the Anti-Trust Bill, that Henry Best, a boot manufacturer, had been deprived of machinery held by him under lease to the U.S.M. Coy. for the reason that he had working beside them a non-royalty machine. I, Henry Best, of my own free will and accord, voluntarily make this statement, under oath, that the statement as reported is not according to fact. The U.S.M. Coy. have never taken any machine from me, neither have they threatened to take machines because of my using non-royalty machines in my factory.

(Signed) HENRY BEST.

Before me, William Geo. Walker, J.P.—14th August, 1906.

Senator PEARCE.—Is it not somewhat peculiar that as soon as Best removed this machine from his factory the company allowed him to go on with his business using its machines?

Senator PULSFORD.—Another statement of a different character would not affect the fact that Senator McGregor made a certain statement which is disproved by the affidavit.

Senator PEARCE.—Contradicted.

Senator PULSFORD.—Very well, we will say contradicted on oath by the person concerned.

Senator PLAYFORD.—Senator McGregor distinctly stated that there was another reason given—the non-payment of money due. He said that most distinctly.

Senator PULSFORD.—I have read precisely what he said, and I have read everything relating to it. Another statement made by Senator McGregor was the following:—

I have no grudge against the United Shoe Machinery Company. I only want the company to conduct its business in a legitimate manner. So far as I am concerned, it is welcome to remain in Australia, and to do all the business it can, until the day of judgment, so long as that business is done fairly, and in equal competition with our own people and the people of Great Britain. It may be said that it would never act unfairly. In order to show that the United Shoe Machinery Company has not acted fairly, I have brought here a copy of an affidavit made by Mr. William Marshall, who in 1901 had a large boot and shoe factory in Port Melbourne. It is as follows:—

I, William Marshall, of 30 Russell-street, Melbourne, formerly of Nott-street, Port Melbourne, shoe manufacturer, do hereby make oath and say that—

In the year nineteen hundred and one (1901) I entered into a contract with the United Shoe Machinery Company of America for the leasing of a consolidated hand method lasting machine. One of the conditions of the lease was that I had to pay them about seventy pounds (£70) cash when the machine was installed, and thereafter a royalty of fifty-two pounds (£52) per annum (this is as far as my memory serves me).

The United Shoe Machinery Company further protected themselves by insuring the machine for the sum of three hundred or three hundred and fifty pounds, for which I was conditioned under the lease to pay the insurance premiums.

On 17th September, 1901, my factory was totally destroyed by fire, and in the general destruction the lasting machine was ruined.

The United Machinery Company not only collected the insurance on the machine, but, acting under another condition of their "lease," demanded and took possession of the "remains" of the machine, and would not make any refund of the original payment (seventy pounds), nor would they rebate anything out of the insurance money, which they collected, and the premium for which I had paid.

As far as I remember, the machine was installed only about two months prior to the happening of the fire. It had therefore hardly been used.

Declared before me this 19th day of July, in the year 1906.

C. J. HAM, J.P.

WM. MARSHALL.

Senator TRENWITH.—They insisted upon the letter of the bond.

Senator MCGREGOR.—The company extracted its pound of flesh, and all the blood it could get therewith.

I have an answer to that. It is, I think, rather a grave matter—

14th August, 1906.

Case for United Shoe Company.

Senator McGregor, in his speech on the Anti-Trust Bill in the Senate on Friday, 10th August, is reported to have stated, in reference to the matter of the company and Marshall and Company:—

(a) That the company, in or about 1901, leased certain machines to Marshall and Company on payment of £70—Installation fee and at a rent of £52 per annum.

(b) That shortly after the lease the factory of Marshall and Company was destroyed by fire, and the machines destroyed.

(c) That the remains of the machines were returned to the company.

(d) That Marshall and Company applied to the company for a refund of a portion of the money paid to it by them, and that their application was refused.

It is understood that the above statements were supported by a statutory declaration in Senator McGregor's possession.

Answer:—The facts set out in *a*, *b*, and *c* are admitted. The statement *d* is absolutely false. The company refunded the sum of £80 to Marshall and Company, and hold their receipt (copy annexed).

The company also paid the further sum of £35 to Marshall and Company in respect of another machine returned to it, but the receipt is at the head office in Sydney, and a copy is not yet to hand.

It is requested that the statutory declaration of Mr. Marshall quoted by Senator McGregor be laid on the table of the House.

Senator MILLEN.—Then Marshall made a statutory declaration that he had never received any refund from the company?

Senator PULSFORD.—Yes; and the company say that they think that the statutory declaration quoted by Senator McGregor ought to be laid on the table of the Senate.

Senator MILLEN.—Some action ought to be taken upon it.

Senator PULSFORD.—Some action should, I think, be taken.

Senator MILLEN.—The Government was ready enough to take action on Stone's complaint in reference to the Tobacco Commission.

Senator PULSFORD.—The following is a copy of a letter sent to Marshall and Company:—

9th July, 1902.

Messrs. Marshall and Co.,
Degrave-street, Flinders-lane,
Melbourne.

Gentlemen,—

We are handing you, through Mr. Beckman, cheque for £80 in payment of the lease premiums on machines returned as per list attached, together with statement showing debit to you of the difference due us on lease premium and installation charges of strap printing machine, after deducting allowances for the unexpired portion of the year's rental on Consoli-

dated Laster as paid by you in advance. This, you will understand, is in accordance with the writer's verbal agreement with you at your place of business in Melbourne on 2nd June, 1902.

Very truly yours,

(Signed) UNITED SHOE MACHINERY CO.,

F. L. Alley,
Assistant Manager.

Appended to the letter is a detailed account as follows:—

Messrs. Marshall and Co., Melbourne, in account with the United Shoe Machinery Co.

Cr.

By lease premium for return of leased machines for which it is agreed that all leases are cancelled

£100 0 0

Dr.

To amount due for lease premiums and installation charges on strap printing and covering machine, less allowance for unexpired portion of this year's rental on combination laster

£20 0 0

To cheque herewith

80 0 0

£100 0 0

Sydney, 9th July, 1902.

Then there is the signature—

By cheque, 11.7.02, Marshall and Co.

Senator PEARCE.—There is some hard swearing somewhere.

Senator FULSFORD.—There is; and I suggest that it is the duty of some one in this chamber—and it ought to be Senator McGregor—to probe to the bottom of the matter.

Senator PEARCE.—Perhaps it would be as well if the other sworn declaration were placed on the table as well.

Senator PULSFORD.—Yes, and I shall be pleased to hand it to Senator Playford.

Senator PEARCE.—I accept the challenge on behalf of Senator McGregor.

Senator PULSFORD.—During this debate we have had a very plentiful supply of "cock and bull" stories. I am sorry that Senator Trenwith has disappeared—that he has "shot his bolt" and fled—because I desire to refer to some statements made by him last night. Senator Trenwith is under the impression that the position of affairs in Victoria is such as to warrant support being given to this Bill. He urged that Victoria generally, owing to her past policy, is in a much superior position financially to that of any of the other States, especially New South Wales. After quoting a number of figures about estates left

by deceased persons, Senator Trenwith read as follows from page 517 of *Coghlan*:—

These figures show a distribution of property not to be paralleled in any other part of the world; and in a country where so much is said about the poor growing poorer, and the rich richer, it is pleasing to find that in the whole population one in six is the possessor of property, and that the ratio of distribution has been increasing with fair regularity in every province of the group. Victoria has the widest diffusion of wealth of the individual States; South Australia comes next to Victoria; then come New Zealand. . . .

Senator Trenwith stopped at the words "New Zealand," but there followed—

New South Wales, Western Australia, Tasmania, and, lastly, Queensland.

That statement is followed up in *Coghlan* by a sentence which shows that the figures quoted by Senator Trenwith are worth nothing. The sentence is as follows:—

Too must stress, however, may be laid on the apparently wider distribution of wealth in one State than in another, for it is obvious that a province with a stationary or decreasing population will naturally come out of a comparison of this kind more favorably than another with a rapidly-increasing population.

That was the case with regard to Victoria, which had a decreasing population as compared with a rapidly-increasing population in New South Wales. Senator Trenwith should have read the whole of the extract, which clearly shows that the figures he used are not applicable, and create altogether a wrong impression. To prove how wrong that impression is, I may refer to page 514 of *Coghlan*, where is shown the value of property in the several States. The value of the property in New South Wales is put down at £368,778,000, and in Victoria at £310,074,000. It will be seen from this that New South Wales was an aggregate of £58,000,000 ahead. The figures in *Coghlan* dealing with the property per inhabitant show that in New South Wales this amounted to £258, and in Victoria to £256; so here, again, New South Wales is slightly ahead. On page 530, *Coghlan* gives a table containing calculations as to income. The total income of New South Wales is shown at £64,387,000, or £45.2 per inhabitant, as against £54,169,000 in Victoria, or £44.8 per inhabitant. Here, again, Victoria is below New South Wales. Senator Trenwith relied very largely on statements about production, in order to prove the contention he was then upholding. I have no hesitation in saying that Senator Tren-

Senator Pulsford.

with had not grasped the figures; indeed, I imagine that he had not possession of them, and scarcely knows what he is talking about.

Senator Sir JOSIAH SYMON.—Senator Trenwith made a great many errors in his figures last night, some of which he has corrected to-day.

Senator PULSFORD.—Senator Trenwith urged that we ought to accept the gross output of the manufacturing industries as sufficient indication of which State is producing most.

Senator MILLEN.—Surely he was joking.

Senator PULSFORD.—I think he must have been. But I have in my hand a statement signed by the Statist of Victoria, who gives the gross value of the output for the year 1904. In the case of Victoria, the Statist puts the output at £23,126,000, and in the case of New South Wales at £27,159,000. On Senator Trenwith's own choice of figures, it will be seen that the position in New South Wales is much stronger than in Victoria. But when we look at the whole of the figures, showing the production of the primary industries and the production of the manufacturing industries, the difference is really remarkable. I am able to give figures which have appeared in the press, showing the relative position of New South Wales and Victoria in this connexion last year. In New South Wales the product of the primary industries reached £36.1 millions, and in Victoria £24.3 millions. The value added by the manufacturers of New South Wales was £10.6 millions, and in Victoria it was £9.7 millions. The total value in New South Wales was £46.7 millions, or £31 11s. 4d. per head; and in Victoria £34,000,000, or £27 19s. 6d. per head. Honorable senators will remember how Senator Trenwith referred to this £27 19s. 6d. as being the largest production per head in the whole world, and how he concluded generally that the production in Victoria was enormous in consequence of her past tariff legislation, while New South Wales, comparatively, was "nowhere." Honorable senators will, I think, admit, without much hesitation, that Senator Trenwith's figures are thus fairly upset. On page 1020 of *Coghlan*, there are some figures which I may quote to complete the honorable senator's discomfiture. These figures show the production in each ten years from 1871 to 1901, and also for the year 1903. In the last four periods, Victoria, out of the whole

six States, shows the lowest per head, except in the year 1901, when she was 6d. per head over the State of Tasmania. These figures are, I think, conclusive, and even Senator Trenwith, if he were here, would feel that he has been "knocked into a cocked hat." I do not think that sufficient prominence is given in Australia to the importance to the Commonwealth of the primary industries. I think I have said before in this Chamber, that there are people in Australia who attach very much more importance to the manufacture of the leg of a chair, worth, perhaps, a shilling, than they do to the production of a whole cargo of wool.

The PRESIDENT.—I really must ask the honorable senator to refer to the Bill. I did not stop the honorable gentleman when he was quoting figures as against Senator Trenwith, because the latter contended that the figures he quoted had reference to the Bill. I could not myself see that the figures quoted by Senator Trenwith referred to the measure, but now that Senator Pulsford has performed the operation he describes on Senator Trenwith, I must ask him to return to the consideration of the Bill.

Senator PULSFORD.—I think I am dealing with the Bill. I am now endeavouring to show the supreme importance to Australia of the primary industries. We are discussing a Bill in which "Australian industries" are referred to, and the tendency of all the supporters of the measure is to bear in mind only certain manufacturing industries, especially the harvester industry, ignoring the mainstays of Australian prosperity. In this connexion I think that honorable senators will see that the production of our great primary industries has a vital bearing on this Bill, and that it is the bounden duty of every member of the Senate to beware that in passing legislation of this kind they do not injure those large industries for the sake of conferring some benefit on industries of less importance.

The PRESIDENT.—I see the connexion of the honorable senator's remarks now.

Senator PULSFORD. — I regret that Senator Trenwith should have made his appearance only after I have finished metaphorically knocking him into a cocked hat.

Senator TRENWITH.—What does the honorable senator take me for?

Senator PULSFORD.—I take the honorable senator for a very prudent man. He knows when to stay out of the rain. The Bill is supposed to be a measure for the preservation of Australian industries. If we are to adopt legislation in the interests of certain important yet relatively small industries, we shall not be attending to the preservation of our great industries if by such legislation we injure them, that is a point which I wish the Senate to bear in mind. I have many figures here which I hesitate to inflict upon the Senate, but in view of the importance of the matter, I should like briefly to refer to some of them. Whilst the primary industries of Australia have been increasing immensely, and are yielding millions sterling more to the support and prosperity of our country than they were yielding a little time ago, the manufacturing industries, although prosperous, and doing better than they have been doing for some time, are yet increasing relatively to a very small extent. I have this somewhat remarkable statement to make with respect to New South Wales. In the year 1900 the average wage paid in the manufactories and works of New South Wales was £81 16s. Last year the average wage paid was only £71 18s. That is explained by the immense increase in the employment of female labour. In the year 1900 the total wages paid amounted to £4,974,000, and last year they amounted to £5,191,000. In the five years referred to the total wages paid have increased to the extent of £217,000, or only 4½ per cent. In the same period the number of males employed in these manufacturing industries increased by 11 per cent., the number of females by 56 per cent., and the total number of hands by 16 per cent. The average wage paid per head decreased to the extent of £9 18s., or 12 per cent. So that, whilst the position in New South Wales is improving, and is, I suppose, from the point of view of the increase of manufactures satisfactory, the improvement is absolutely paltry compared with the improvement in the position in the primary industries. The returns from the primary industries of New South Wales during last year showed an increase of between £6,000,000 and £7,000,000, yet the increase in the total amount of wages paid in the manufacturing industries in New South Wales in the last five years totalled only £217,000, or 4½ per cent. in excess of the sum paid in

1900. I suppose that the increase shown is really less than would be represented by the increase in population. I observe that this Bill consists of two parts, the first containing the anti-trust provisions, and the second dealing with dumping. It is difficult to say which is the cart and which is the horse, because in the Bill submitted last year the order of these parts was reversed. I do not know the reason for the alteration in this measure, unless it be that last year the Government probably thought they were on stronger ground with their dumping proposals than they are to-day. Whilst the first part of this measure may be described as that for preventing dearthness, the second, or dumping, part of the Bill seems to have been introduced to prevent cheapness. We are told that a commercial trust includes a combination. This Bill is the result of a combination. I venture to say that it is the result of a combination of political and manufacturing interests. I do not hesitate to say that. By the wording of this measure, it is quite clear that anything which can be twisted into the semblance of a combine is liable to be dealt with under this measure. That is calculated to militate very greatly against *bonâ fide* amalgamations of important companies. Then, according to the Bill a commercial trust is any combination controlled or controllable by an agreement. There are many businesses in connexion with which agreements of a very simple character are made, and yet there is danger that the most simple agreement may bring the parties to it under the power of the law, since it will constitute them a commercial trust, and they will, as such, be assumed to be criminal under this Bill. I observe, also, from the definition clause that "a trust" includes a "person," and "a person" includes "a trust," which, I suppose, is very satisfactory. The Bill is full of phrases which, to my judgment, are difficult of interpretation, open the door to all sorts of doubt, and leave such an extraordinary amount of discretion to the Minister or to the Comptroller of Customs for the time being as to make almost anything possible. We have in one of these clauses a reference to "inadequate remuneration." What is adequate?

Senator TRENWITH.—All you want.

Senator PLAYFORD.—All you can get.

Senator PULSFORD.—I suppose that honorable senators are aware that remuneration

which might be adequate in Victoria would not be adequate in Western Australia. I do not know how this provision is going to be worked. Then we have also the use of the term "unduly disadvantageous." Does that mean unduly disadvantageous under the conditions prevalent in Western Australia, or under the conditions prevailing in Victoria? In cases 4 and 5 we have "producers, workers, and consumers" introduced. I should like to know why we are not, instead of that, called upon to consider the interests of consumers, producers, and workers, since the consumers represent the multitude.

Senator TRENWITH.—How many consumers are not also producers?

Senator PULSFORD.—Almost every person in the community is, I suppose, a consumer of wheat, whilst the producers, although numerous, are very much fewer in number.

Senator TRENWITH.—Those who consume wheat, but do not produce it, produce other things.

Senator PULSFORD.—I am aware of that. Let me bring in the harvesters again. When we speak of harvesters, for instance, who are meant by the consumers?

Senator MCGREGOR.—The users.

Senator PULSFORD.—Exactly; the people who use them, and not the whole mass of the people, who use grain.

Senator TRENWITH.—We are all interested, if we use wheat.

Senator PULSFORD.—I know that, but what I wish to show honorable senators is that the interests of the few are put first in this measure, and the interests of the many are put last.

Senator MILLEN.—Is not that the purpose of the Bill?

Senator PULSFORD.—I believe it is. I am endeavouring to show that, and I wish to rub it in.

Senator PEARCE.—Does the order in which the names appear in the clause make any difference?

Senator PULSFORD.—Oh, yes, and there is something in knowing what is meant.

Senator PLAYFORD.—Something to talk about.

Senator MILLEN.—The order may indicate the idea in the minds of the draftsmen of the measure.

Senator PULSFORD.—I should like again to remind honorable senators of what is inherent in clause 6. This clause makes

it absolutely certain that any body against whom a charge of being a trust can be brought is assumed to be guilty of unfair competition.

Senator PLAYFORD. — The honorable senator told us that before.

Senator PULSFORD.—In this connexion I should like to refer to some remarks contained in a report published by the Melbourne Chamber of Commerce. They met to consider and report on this Bill, and they conclude their report as follows:—

To realize what this Act is, one has only to consider that if it had been in force years ago the importation of nearly all the modern appliances and machines now in use would have been prevented, and their introducers sent to gaol—such, for instance, as linotypes, sewing machines, patented machinery, &c., in nearly all branches of trade—all of which cause disorganization of labour when first introduced. The inventive world is not going to stand still, and are we going to handicap ourselves against the rest of the world by refusing to admit all future improvements?

This Bill is so drafted as to make it possible that when in the future some great inventions are discovered, and as a result improvements are perfected in machinery, that would bring about some disorganization of labour in Australia, those who desire to introduce such improved machinery may find themselves in a very awkward corner.

Senator PLAYFORD.—No, no. The manufacturer who does not keep his machinery up to date will receive no consideration under this Bill. There is provision made for that.

Senator PULSFORD.—In dealing with the matter of dumping, I think the Senate should display a little decency; that whilst we are preparing to dump our goods all over the world to the very largest extent possible, we should show a little reason with regard to our readiness to fly at the throats of manufacturers or others in certain countries who want to sell their goods to us. In the *Age* of yesterday I saw a telegram headed, "Poultry and Egg Export," and relating to a South Australian proposal. It seems that on Tuesday morning in Adelaide a deputation from some persons interested in poultry waited upon the Minister of Agriculture, and wanted State help in sending a trial shipment of eggs to the English market, and that it met with a favorable reception—

The Minister said it was no use producing a lot of eggs unless they could find an outlet for

the surplus. The whole of Australia was going in strongly for this industry, which promised to assume very large dimensions. Eggs would pay even better than wheat. He did not think the request unreasonable, and he was prepared to undertake the scheme proposed, for he thought he would be acting in the best interests of the State if it could be proved that sending eggs to Europe was profitable.

I think that he did quite right, and I am very glad that he did. On the same page of the newspaper nearly a column is devoted to poultry and eggs, and how to develop the export trade, especially in Victoria. Here we have, perhaps, the leading newspaper supporter of the Bill anxious for us to push our export business, to dump poultry and eggs on the markets of Europe.

Senator PLAYFORD.—The honorable senator might as well say that we dump wheat.

Senator PULSFORD.—We do.

Senator PLAYFORD.—We do nothing of the sort. We export wheat in a fair way.

Senator PULSFORD.—We send wheat to Europe to sell at whatever price it will fetch. If any person sends machinery to Australia at a trifle under the price at which it is supposed to be produced here, that is to be looked upon as a crime?

Senator PLAYFORD.—No.

Senator PULSFORD.—I like to hear the Minister say "no," because it shows that there is still a little hope for him, that he is actually getting ashamed of his own wretched Bill. The Government are proposing to pay £500,000 in bonuses on the production of various articles.

Senator PLAYFORD.—Is not that a good thing?

Senator PULSFORD.—I am inclined to think that it may be. But look at what the Minister proposes! He proposes to pay money in order to produce goods which are to be sent abroad. What may our friends in England say? "Here is Australia producing goods, partly at the expense of the taxpayers to sell against us." Does not that tend to dumping?

Senator PLAYFORD.—No.

Senator PULSFORD.—"No," the Minister says again.

Senator PLAYFORD.—The honorable senator has not yet got into his head a proper definition of dumping.

Senator PULSFORD.—I think I have. The Minister does not want to face the

facts of the position. According to clause 16—

“Imported goods” and “Australian goods” include goods of those classes respectively, and all parts or ingredients thereof.

What does that mean?

Senator MCGREGOR.—What are the ingredients in an egg?

Senator TRENWITH.—Will the honorable senator explain that?

Senator PULSFORD.—Senators McGregor and Trenwith are sufficiently keen witted to perceive what I am driving at. But I am not so dull as to be driven from my point by their small witticisms. In Australia a manufacturer may be obliged to use some ingredient or material which is imported, and which will be described as being dumped.

Senator PLAYFORD.—No; we let the raw material come in free.

Senator PULSFORD.—Here is the Minister climbing down again.

Senator PLAYFORD.—No; the honorable senator knows the policy of protectionists.

Senator PULSFORD.—In Committee I shall ask the Minister to help me to insert a clause to remove all these raw materials from this deleterious action.

Senator PLAYFORD.—If the honorable senator can give me a proper definition of “raw material” I shall help him.

Senator PULSFORD.—That is very easy. “Raw material” is anything which is used in the production of an article, and which in itself may be a manufactured article.

Senator PLAYFORD.—Leather is a manufactured article, but bootmakers say “That is our raw material.”

Senator PULSFORD.—Clause 17 says—

Unfair competition has in all cases reference to competition with those Australian industries, the preservation of which, in the opinion of the Comptroller-General—

Senator PLAYFORD.—Yes; but that is only for trial.

Senator PULSFORD.—The Minister is fighting very hard to minimize the effects of the Bill, and to throw dust in our eyes.

Senator PLAYFORD.—No.

Senator PULSFORD.—On this point let me read something to honorable senators.

Senator PLAYFORD.—Oh, this is fearful!

Senator PULSFORD.—Well, it matches the Bill; and, on the homœopathic principle of like curing like, I hope it will cure the measure. At an interview on the 1st November, 1904, between the Comptroller-

General and the Council of the Chamber of Commerce of Sydney, relative to what was then known as the Fraudulent Trades Mark Bill, the former said—

As regards the administration of the Act, I am only speaking as an individual. I cannot pledge the Department. You must protect yourselves if you consider it necessary to do so at this stage. What the Department may do in future years, or what directions I may have, I cannot say. If you think there is anything to be feared, it would not do to trust to my views, I might not be allowed to have any.

Senator PLAYFORD.—Quite right. He is a servant, and has to do as he is told.

Senator PULSFORD.—I have got the Minister “by the wool” again. Let me once more draw the attention of the Senate to the clause. The Comptroller-General has told us that he may not be allowed to have any personal opinions.

Senator PLAYFORD.—In this particular case he will.

Senator PULSFORD.—Can we put in the Bill a clause allowing the Comptroller-General to lock the Minister out of his office?

Senator PLAYFORD.—The honorable senator does not want the Comptroller-General to go against the Minister’s opinion.

Senator PULSFORD.—Let it be remembered that the Comptroller-General is probably about the most hard worked man in Australia. The quantity of work which is done in the Customs House to-day is enormous. The number of matters which this officer has to decide day by day is immense. Suppose that Senator Trenwith goes to see him with a woeful tale about harvesters, and tells him that Mr. McKay is in despair, and will go to a lunatic asylum if some shipment is not stopped. What will this officer do who is not allowed to have an opinion of his own? The Minister is in the next room.

Senator PLAYFORD.—He will get at the facts first.

Senator PULSFORD.—Clause 18 says—

(1) For the purposes of this part of this Act, competition shall be deemed to be unfair if—

(a) under ordinary circumstances of trade it would probably lead to the Australian goods being no longer produced or being withdrawn from the market or being sold at a loss unless produced at an inadequate remuneration for labour; or

(b) the means adopted by the person importing or selling the imported goods are, in the opinion of the Comptroller-General or a Justice of the Peace, as the case may be, unfair in the circumstances.

The Comptroller-General would be a fool if, under one of those headings he could not decide straight away, especially with the Minister at his elbow, that the goods should be stopped. Surely honorable senators can see how easy it all is. It is just as easy as falling off a log.

Senator PLAYFORD.—Yes; but the honorable senator has to think of sub-clause 3.

Senator PULSFORD.—Sub-clause 2 brings in "an inadequate remuneration for labour," "substantial disorganization," "throwing workers out of employment," and "selling goods at prices greatly below their ordinary cost of production." How easy for any one of these circumstances to be brought about, or to be imagined to have been brought about! How easy for the Minister, for the Comptroller-General, or for the Justice to be persuaded of any one of these various matters having arisen! And what are the consequences to be? The final paragraph of sub-clause 2 says that if goods are sold—

at a price which is less than gives the person importing or selling them a fair profit.

Where was this provision drafted? Is there a lunatic asylum in Melbourne?

Senator TRENWITH.—Is the honorable senator looking for it?

Senator PULSFORD.—I might remind Senator Trenwith that the percentage of lunatics in Victoria is immense.

Senator TRENWITH.—Since Federation!

Senator PULSFORD.—I believe that Victoria is the "boss" of the Commonwealth in that respect. A few days ago I read a statement to the effect that a large sum of money was wanted for building another establishment. The man who drafted this clause ought to be put into that asylum when it is built. Suppose that a draper brought in a quantity of fashionable drapery, that, owing to the season proving a bad one, because of the failure of the weather, one-half of the goods was left on his hands, and that when the next season came round, the fashions had changed. What is to be done with the goods? If he were to sell them at half-price, he would be a criminal.

Senator PLAYFORD.—No.

Senator PULSFORD.—And if he were to give the goods away, I suppose he would have to be hanged.

Senator PLAYFORD.—He would not be interfered with.

Senator PULSFORD.—The Minister is climbing down again.

Senator PLAYFORD.—Never.

Senator PULSFORD.—The Minister will not accept the plain reading of the provision.

Senator PLAYFORD.—The man has to do it with the intent to destroy a special industry of the country.

Senator DRAKE.—The Minister is on the wrong track.

Senator PULSFORD.—There is nothing of that sort in this provision. In clause 19 we are told that the Comptroller-General, "whenever he has received a complaint in writing and has reason to believe," may take action. How easy for Senator Trenwith to make a complaint in writing! How easy for the whole race of informers to complain! How easy for hundreds of men to try to make a living at this sort of thing! With what conditions are we going to surround Australian commerce? Let us look further into this precious Bill and see what sort of conditions are to be imposed upon that most sinful of all creatures who is importing goods, and who is informed against. What trouble may happen to him! And if the importer wins his case he may find that his victory is about as bad as a defeat; because, while he has been winning his case in Court, his goods may have perished in the warehouse, or the market may have fallen. Let me remind the Senate of what has occurred in connexion with harvesters. About thirteen months ago the Minister of Trade and Customs took upon himself, by one of the most reprehensible acts that ever occurred in the commercial history of Australia, to raise the valuation of harvesters. Nothing has yet been done to settle that matter. It remains undecided. Every step that can be taken is being taken to prevent a settlement being arrived at. Court after Court is being applied to to stop the efforts of the firms concerned to get the matter settled. Surely honorable senators can see the dangers with which this Bill is crowded. They are no imaginary dangers. The importers under it will be solely in the hands of the Minister. The clause to which I have referred concludes with some reference to prohibitive imports within the meaning of the Customs Act. What does that mean? That any goods that may be prohibited, and that have already arrived, are liable to confiscation.

Senator PLAYFORD.—That is terrible!

Senator PULSFORD.—It would appear terrible to the Minister if he properly

understood it, but he is trying to be jocose about it. He shuts his eyes deliberately to the seriousness of his own Bill.

Senator PLAYFORD.—The honorable senator is making a big sound about nothing!

Senator PULSFORD.—I will accept that statement if the Minister means that if the Bill is passed with all these powers in it, it is not intended to exercise them.

Senator PLAYFORD.—They will not be exercised unless it is right and proper to exercise them.

Senator PULSFORD.—Who is to decide that?

Senator PLAYFORD.—First, the Comptroller-General, then the Minister, and then the Justice.

Senator PULSFORD.—I know that the Minister would not ask my opinion. It would be much nearer the mark for him to ask the opinion of Senator Trenwith.

Senator TRENWITH.—Hear, hear! That would show his judgment.

Senator PULSFORD.—In clause 21 the Justice is ordered to "proceed expeditiously." What expedition have we seen with the harvester matter? Then look at sub-clause 9 of clause 21—

The determination of the Justice shall be final and conclusive, and without appeal, and shall not be questioned in any way.

Senator PLAYFORD.—Quite right!

Senator PULSFORD.—But let me draw attention to clause 23. Clause 21 declares that the front door shall be shut, but clause 23 says that the back door may be open, and that the Minister may be approached. It provides that—

The Governor-General may at any time by proclamation, simultaneously with or subsequently to any prohibition under this part of this Act, rescind in whole or in part the prohibition or any condition or limitation of importation imposed thereby.

Senator PLAYFORD.—Surely the honorable senator does not object to that?

Senator PULSFORD.—Was ever anything so monstrous put in a Bill? A man in open Court may be condemned, and then the Bill says, "Let him go up the backstairs and see the Minister; and if he can persuade the Minister he can rescind the decision of the Court." It spells corruption. Senator Playford shakes his head. He is not the Minister of Trade and Customs. His Government will not live for ever, I suppose. Everybody must see that this clause does open the door to corruption. I hold in my hand a statement made

by Mr. Rogers, of the Sydney Chamber of Commerce. He says, with reference to clause 21, that it provides that the certificate of the Comptroller-General shall be *prima facie* evidence of the facts alleged.

Then the Minister seeks to explain that the clause empowering an appeal from the High Court Justice only gives power to reduce a decision if it is thought to be too severe. The actual words of the clause are as follow:—"The Governor-General may at any time, by proclamation, simultaneously with or subsequently to any prohibition under this part of this Act, rescind in whole or part the prohibition, or any condition or restriction or limitation on importation imposed thereby." The council protests against any question of trade policy being handed over to the law courts at all for determination. It objects more strongly to any provision by which the Governor-General, or, in other words, the Minister, may absolutely rescind in camera the decision of the Justice arrived at in open court, and on the substantial merits of the case as put forward in evidence. The Minister claims that the clauses are framed so as to prevent blackmailing, and that the assumption that there can be any backstairs influence goes for nothing. I join issue with him on both points. What is the procedure? If the Comptroller-General has received a complaint in writing, and has reason to believe that any person is importing goods with intent to injure an Australian industry by unfair competition, he may certify to the Minister accordingly. I conceive it to be possible for a person for motives of his own to induce an officer in the Customs of perhaps more zeal than discretion to move the Comptroller to promote an inquiry; and if a public officer is the informer, the name is not disclosed, and therefore the prosecution for penalties in respect of misleading information cannot be proceeded with; and thus the proceedings which the Minister put in to protect the importer from improper charges are of no avail. And I ask any one who has sense enough to come in out of the rain, whether clause 23, that I have just quoted, does not in unmistakable language suggest to an importer who has lost his case before the Justice that the Minister is approachable.

Senator PLAYFORD.—The honorable senator can move that the clause be struck out if he likes.

Senator PULSFORD.—The Minister begins to see that what I say is true.

Senator PLAYFORD.—The clause was not in the Bill as introduced.

Senator PULSFORD.—Let us strike it out, and go on striking clauses out until we send the whole Bill to the waste-paper basket.

Senator PLAYFORD.—It was inserted in another place to protect the importer, so that if any hardship should have been done to him unwittingly, there is a way out. It is a very fair provision.

Senator PULSFORD.—With regard to the harvester matter, it is worth while to notice what has been taking place. Nearly thirteen months ago the Minister, by an arbitrary Act, raised the valuation for duty purposes.

Senator PLAYFORD.—The late Government did the same trick. It raised the valuation from £26 to £38.

Senator PULSFORD.—That was not the case with the Massey-Harris harvesters. They had always paid duty on £38.

Senator MILLEN.—At any rate, whoever did it, the Minister calls it a trick.

Senator PULSFORD.—Yes. The present Government, as I have said, raised the valuation arbitrarily. A shipment arrived to one of the States. The importers were compelled to deposit the duty on the higher valuation. They did so. Then they proceeded against the Minister of Trade and Customs for a refund of the amount paid in excess. The importers apparently are not afraid of the law, but the Customs authorities do not seem to want to come to grips. They are not willing to have the matter looked into before raising the duty. In various States actions have been brought against the Department, but every step known to the legal mind is being taken to delay settlement. In one State the Massey-Harris Company applied for power to have a Commission sent to Canada to examine into the question of cost. The Customs authorities opposed the application. The order was granted by the Justice. Then the Supreme Court was appealed to, and was asked to rescind it. The Supreme Court said "No; Massey-Harris and Company are entitled to this." In another case in South Australia, the firm, wanting its money back, went before a Justice, and asked that certain information should be given. The Justice ordered that the information should be given. Again the Customs Department appealed to the Supreme Court of South Australia, which only yesterday decided to support the order of the Justice. Then counsel for the Customs moved for a further appeal, either to the Privy Council or to the High Court. The Chief Justice of South Australia was indignant at the request. He said it was frivolous and trumped up, and he would not grant it. Yet these are the steps being taken by the Government to prevent a settlement being arrived at—or, I shall put it, apparently to prevent a

settlement—and to carry the whole matter beyond the coming general election, when it will be immaterial to them what the conclusion may be. The whole procedure in regard to this measure is regrettable in the extreme, and not calculated to give us any exalted opinion of the methods adopted by the Government in managing these matters. It certainly is not calculated to inspire us with the feeling that the Bill can be safely adopted, and that the enormous powers which they ask can be safely put in their hands.

Debate (on motion by Senator FINDLEY) adjourned.

ADJOURNMENT.

VISIT TO PROPOSED CAPITAL SITES.

Motion (by Senator PLAYFORD) proposed—

That the Senate do now adjourn.

Senator KEATING (Tasmania — Honorary Minister) [10.18].—I take the opportunity to inform honorable senators, and those who intend proceeding to New South Wales to-morrow, for the purpose of visiting the suggested Capital Sites, that a communication has been received from Mr. Carruthers, the Premier of New South Wales, to the effect that a number of honorable gentlemen who were unable to visit the Canberra site last week have expressed a desire to do so on Monday next, in lieu of going to Lake George, and that arrangements to that end are being made.

Senator MILLEN. — Is that an alternative?

Senator KEATING.—We have communicated with the Premier of New South Wales to the effect that the members of Parliament who accepted, accepted an invitation to visit, among other sites, Lake George, and that we presume the arrangements being made for a visit to Canberra are not in absolute substitution for the arrangements for a visit to Lake George, but that they will have an option to visit either site. Probably, before the Senate rises to-morrow, I shall be able to inform honorable senators as to the actual arrangements. I have also to say that the train, instead of leaving to-morrow at 4.55, the hour at which it left last week, will leave at 1.30 p.m., and will arrive at Albury at 6.28 p.m. The special train provided by the Government of New South Wales will take the passengers from Albury to Cooma, where they will arrive early on Saturday morning,

enabling them to proceed to Dalgety and return to Cooma that day. I am not in a position to give every particular just now, owing to the fact that the itinerary has been altered; but in the meantime honorable senators may decide which site they will visit.

Question resolved in the affirmative.

Senate adjourned at 10.25 p.m.

House of Representatives.

Thursday, 16 August, 1906.

Mr. SPEAKER took the chair at 2.30 p.m., and read prayers.

ADMINISTRATION OF PAPUA.

Mr. HUGHES.—The Prime Minister has informed us that he is about to appoint a Commission to inquire into the administration of Papua, but I cannot gather from the reports of Mr. Atlee Hunt, and Senator Staniforth Smith, which furnish the only information available to us, that there is any occasion for doing so. I therefore wish to know if the honorable and learned gentleman has other information showing reasons for the appointment of the Commission which he can put before us?

Mr. DEAKIN.—I shall ascertain whether, besides the annual reports already printed, there is additional information. I have already informed the House that the Administrator of Papua has asked for the appointment of a Royal Commission.

REFUND OF DUTY.

Mr. FOWLER.—As the Import duty on spirits has been restored by the Committee of Ways and Means to 14s. per proof gallon, will the Government refund to those who, to clear spirits, have had during the past fortnight to pay 15s. per gallon, the difference between the two rates?

Mr. DEAKIN.—I discussed the matter with the Comptroller-General of Customs this morning, and he is to make a further report in regard to it.

CASE OF CAPTAIN STRACHAN.

Mr. BRUCE SMITH.—Now that the Government has succeeded with its technical plea of irresponsibility for the acts of New Guinea officials, in the action brought

against it by Captain Strachan, will the Prime Minister cause an inquiry to be made into the merits of the complaint, with a view to doing common justice?

Mr. DEAKIN.—I do not admit that the point taken was a technical one. The consequences might have been most serious if we had accepted obligations in regard to the action of officials who were not directly responsible to us. In accordance with a promise made a day or two ago, the papers in the case are being obtained from Sydney, and will be laid on the table in the Library, so that honorable members may satisfy themselves that justice has been done.

PREMATURE DISCLOSURE OF INFORMATION TO THE PRESS.

Mr. BAMFORD.—A few days ago, when the Minister of Trade and Customs moved a motion imposing certain duties on harvesters and agricultural machinery, he said that that action had been forced upon the Government because of certain disclosures in the daily newspapers, and that investigation would be made to ascertain, if possible, the source of those disclosures. Has the Prime Minister any information to give the House in regard to the matter?

Mr. DEAKIN.—The investigation has disclosed that there were only two copies of the motion, one in my possession under lock and key, for the Governor-General, which has not been opened even by myself, and the other, which was gone through by the Minister and myself, was in the possession of the Comptroller-General of Customs, also under lock and key. Neither of those copies could have been seen by a third person, and, of course, no information as to their contents was given to the press or to other persons by either the Minister or myself.

ABSENCE OF MEMBERS.

Mr. JOHNSON.—I desire to know from the Prime Minister when the Minister of Trade and Customs will return? Is he likely to be back in time to explain the reasons for the proposed duty on harvesters, or will he be too busy in getting the farmers of his electorate to help him in making an exhaustive examination of the probable effect of the proposed spirit duties on the revenue?

Mr. MALONEY.—I should also like to ask when we may expect the leader of the Opposition to return?

AUSTRALIANS ON WARSHIPS.

Mr. CROUCH asked the Prime Minister, *upon notice*—

1. What number of Australian officers and sailors were to be engaged in the Imperial subsidized navy in Australia under the naval agreement?
2. How many officers and men are engaged on such ships?
3. How many Australian officers and men are engaged on such ships?
4. Why is it that Australian men who passed for enlistment many months ago are still not engaged on such ships?

Mr. DEAKIN.—The answers to the honorable member's questions are as follow:—

1. Article 5 of the agreement provides for three (3) drill ships and one (1) other vessel to be manned by Australians and New Zealanders. The complement of these ships would be about 1,200, and Australia's proportion about 1,000.
2. The Naval Commander-in-Chief will be asked for this information.
3. According to the last return received from the Naval Commander-in-Chief, dated 1st July, 1906, there were no Australian officers and 408 men.
4. The Naval Commander-in-Chief has stated that "the recruiting of Australian seamen is of necessity very gradual, and it is not possible to at once fill up to the full numbers authorized till those already serving have received sufficient training to allow of them replacing home-trained men."

VICTORIAN CONTRACT POST OFFICES.

Mr. TUDOR asked the Postmaster-General, *upon notice*—

1. Which are the contract post-offices in Victoria that it is proposed to raise to the status of staff offices?
2. Has he any objection to stating the reasons why the remaining offices of the thirty-nine having a revenue over £400 per annum are not being raised to the status of staff offices?

Mr. AUSTIN CHAPMAN.—The answers to the honorable member's questions are as follow:—

1. Armadale, Birchip, Essendon, Leongatha, Yarram Yarram, and Yarraville.
2. Action can only be taken as contracts expire.

IPSWICH DEFENCE FORCES.

Mr. DEAKIN.—Yesterday the honorable member for Moreton asked two questions upon notice in reference to a Maxim gun lying at Brisbane, and intended for use at Ipswich. He was informed that information would be furnished as early as possible, and I am now in possession of the following reply:—

No. The only Maxim guns in Queensland are on issue to the Royal Australian Artillery.

TARIFF.

In Committee of Ways and Means:

EXCISE DUTIES ON SPIRITS.

Consideration resumed from 15th August (*vide* page 2892), on motion by Sir WILLIAM LYNE, *as amended*—

That in lieu of the duties of Excise imposed by the Excise Tariff 1902 on Spirits, duties of Excise shall from the 2nd day of August, 1906, at 4.30 p.m. Victorian time, be imposed upon spirits as follows:—

Excise Duties.

Dutiable Goods.	Duties.
SPIRITS, viz.—	

- | | |
|---|------|
| 1. Brandy distilled wholly from grape wine by a pot still or similar process at a strength not exceeding 40 per cent. over proof matured by storage in wood for a period of not less than two years and certified by an officer to be pure brandy, per proof gallon, 11s., and on and after 16th August, 1906 | 10s. |
| 2. Blended brandy distilled partly from grape wine and partly from other materials, containing not less than 25 per cent. of pure grape wine spirit (which has been separately distilled by a pot still or similar process at a strength not exceeding 35 per cent. over proof) the whole being matured by storage in wood for a period of not less than two years, and certified by an officer to be brandy so blended and matured, per proof gallon | 12s. |
| 3. Whisky, distilled wholly from barley malt by a pot still or similar process at a strength not exceeding 35 per cent. over proof matured by storage in wood for a period of not less than two years and certified by an officer to be pure malt whisky, per proof gallon | 11s. |
| 4. Blended whisky, distilled partly from barley malt and partly from other materials, containing not less than 25 per cent. of pure barley malt spirit (which has been separately distilled by a pot still or similar process at a strength not exceeding 35 per cent. over proof) the whole being matured by storage in wood for a period of not less than two years and certified by an officer to be whisky so blended and matured, per proof gallon | 12s. |
| 5. Rum, distilled from molasses by a pot still or similar process at a strength not exceeding 35 per cent. over proof matured by storage in wood for a period of not less than two years and certified by an officer to be pure rum, per proof gallon | 13s. |

6. Gin, distilled from barley malt, grain, or grape wine, matured by storage in wood for a period of not less than two years and certified by an officer to be pure gin, per proof gallon ... 13s.
7. Spirit n.e.i. matured by storage in wood for a period of not less than two years, per proof gallon ... 14s.
8. Spirit for industrial or scientific purposes, subject to regulations, per proof gallon ... 14s.
9. Spirits n.e.i., per proof gallon ... 40s.
10. Methylated spirit, subject to regulations ... Free
11. Spirit for fortifying Australian wine, to be used subject to regulations ... Free

Upon which Mr. DEAKIN had moved by way of amendment:—

That the following new paragraph be inserted after paragraph 1:—

“2. Blended wine brandy distilled from grape wine, and containing not less than 25 per cent. of pure grape wine spirit (which has been separately distilled by a pot-still or similar process at a strength not exceeding 40 per cent. over proof), the whole being matured by storage in wood for a period not less than two years, and certified by an officer to be brandy so blended and matured, per proof gallon, 11s.”

Amendment agreed to.

Mr. DEAKIN (Ballarat—Minister of External Affairs) [2.43].—I move—

That paragraph 2 be left out, with a view to insert in lieu thereof the following new paragraph—

“2A. Blended grain brandy, distilled partly from grape wine and partly from grain, and containing not less than 25 per cent. of pure grape wine spirit (which has been separately distilled by a pot-still or similar process, at a strength not exceeding 40 per cent over proof), the whole being matured by storage in wood, for a period not less than two years, and certified by an officer to be brandy so blended and matured, per proof gallon, 12s.”

If honorable members compare the proposed new paragraph with paragraph 2 of the motion, they will see that we now propose to make the duty relate to “blended grain brandy” instead of to “blended brandy,” and to provide that the spirit shall be distilled partly from grape wine and partly from grain, instead of partly from grape wine and partly from other materials, which would include beet, potatoes, molasses, &c. The spirit to which the duty of 12s. per proof gallon will apply must have been distilled at

a strength not exceeding 40 per cent., the original proposal being 35 per cent.

Mr. STORRER.—Why is grain substituted for “other materials”?

Mr. DEAKIN.—Because it is intended to exclude beetroot, potato, and sugar spirit. As the honorable member may know, grain spirit costs from 2s. 6d. to 3s. per gallon to produce, whereas molasses spirit costs only 10d. or 1s. Spirit can also be made from various fruits at very low cost. Partly for this reason, and partly because it is contended by some experts—although there is a conflict of opinion—that the grain spirit is not only more expensive, but is purer and better than the other spirits referred to, it is proposed to adjust the duties.

Mr. JOSEPH COOK (Parramatta) [2.47].—As far as I have been able to see the proposed new classification is, on the whole, an excellent one, but I wish to make a brief allusion to the probable consequences of the classification. In the first place, the word “grain” extends over a very wide range. For instance, it would include rice and rye, and I am told that some very deleterious compounds are manufactured from those classes of grain.

Mr. JOHNSON.—And from maize also.

•Mr. JOSEPH COOK.—I understand that maize spirit is not so harmful as that distilled from rice or rye. If we grouped pure wine spirit and grain spirit, we should exclude molasses, potato, and other kinds of spirits, which I take it for granted would be grouped under the head of spirits n.e.i., and would be dutiable at 13s. But whilst we should be excluding these inferior spirits from the classification now before us, we should not prohibit their use, and as a result a large quantity of inferior brandy would be placed upon the market in competition with the purer article. The 1s. difference in the Excise duty between blended grain spirit and spirit n.e.i. would not compensate the manufacturers of the former for the extra cost they would have to incur, as compared with that involved in turning out the inferior classes of spirits. There would probably be a difference in the cost of production amounting to several shillings per gallon. And thus we should have a cheap inferior spirit placed upon the market, which I am afraid would to a great extent take the place of the purer article.

Mr. CONROY.—It may not be inferior spirit.

Mr. JOSEPH COOK.—The classification proposed by the Government has been adopted on the assumption that it is inferior spirit. The Tariff Commission appear to me to have made the first attempt to adopt a scientific classification of the various kinds of spirits.

Mr. CONROY.—The members of the Commission were never fully informed upon the subject of molasses spirit.

Mr. JOSEPH COOK.—I think that it is fair to assume that after twelve months of strict inquiry they were fully informed. I cannot conceive of their adopting a principle of classification such as they have followed without going thoroughly into the question of the purity or otherwise of molasses and every other kind of spirit. They have, at any rate, adopted a classification which assumes that some kinds of spirits are inferior to others, that molasses and potato spirit, for instance, are inferior to grape spirit. In amplifying the classification adopted by the Commission, the Government are really confirming that principle. My point is, however, that, although we are excluding the cheaper classes of spirit from the classification now under consideration, we shall not prohibit their consumption.

Mr. DEAKIN.—How would the honorable member propose to deal with that?

Mr. JOSEPH COOK.—I do not know. There is the difficulty. It seems inevitable that the market will be flooded if an inferior class of spirit, which can be produced very cheaply, indeed, for almost nothing, and which will come into competition with the superior spirit proposed to be classified in the paragraphs now under consideration. That is the difficulty that I foresee, and it is a very serious one. I should like to hear if the Customs officials have any information they can offer upon this point.

Mr. WATSON (Bland) [2.53].—Since this question was under consideration last evening, I have, in common with other honorable members, given it some attention, and it has been borne in upon me that it would be altogether unwise for us to put the official seal of the Commonwealth upon spirit purporting to be brandy, but which is not brandy. We have to consider the effect of the proposed classification, not only upon the spirits put upon the market for local consumption, but upon those intended for export. We have, perhaps, the greatest area of wine-growing country in

the world, and there is every prospect of our being able to develop a splendid export trade in brandy. I understand that one of the South Australian distillers is already exporting to France large quantities of pure grape brandy, which is no doubt being matured there, and sold as French brandy. That being so, it seems that if we officially labelled as brandy spirits which are made to the extent of three-parts from grain, we should prejudice the sale of our pure wine brandy. Even though spirit were called grain brandy, the fact that it was put forth bearing a Commonwealth Customs label, certifying that it was brandy, would tend to prejudice the sale of the real brandy that might be exported. Therefore, the third paragraph proposed by the Government does not commend itself to me. I understand that it has never been the practice anywhere to blend grain spirit with wine spirit, but that molasses spirit is mixed with wine spirit in the brandy of commerce.

Mr. MALONEY.—Silent spirit is used.

Mr. WATSON.—Of course, the spirit has to be highly rectified. It is said that grain spirit has characteristics which do not accord with those of wine spirit, and that for that reason a blend of the two spirits is not likely to suit the tastes of the multitude. In any case, the main objection that occurs to me is that it is unwise to class as brandy anything but the product of the grape. If we desire to engender confidence in the brandy which bears the official label of the Commonwealth, we should reject paragraph 3, and subject blends such as are therein indicated to an Excise duty of 13s. per gallon. We must remember that we have fixed the import duty at 14s. per gallon, and that some of us believe that that will result in a loss of revenue. It is certain that a further loss of revenue would be incurred if we fixed the Excise duty upon the class of spirits referred to in paragraph 3 at 12s. per gallon. I am willing to extend a fair degree of protection to the producers of good brandy, or malt whisky, but I do not see any particular reason why something which would injure our brandy trade should receive special consideration. For these reasons I am inclined to vote against paragraph No. 3, and place the spirits therein indicated under the head of spirits n.e.i., which will be subject to a duty of 13s.

Mr. JOHNSON (Lang) [2.57].—I am in accord with those who believe that the term "brandy" should not be applied to any spirit other than that distilled from pure grape wine.

Mr. DEAKIN. — Would the honorable member also apply that condition to imported spirits?

Mr. JOHNSON. — Yes. The term "brandy" is a misnomer when applied to any other than grape spirit. Honorable members may know that the term "brandy" is of German extraction, and means burnt wine. Therefore, in essence, brandy is wine, and any spirit made from grain cannot correctly be designated brandy. If we place the Commonwealth stamp of approval upon mixtures of grape spirit and grain spirit, we shall probably create a false impression in the minds of consumers. Very few persons who drink brandy take the trouble to inquire as to the constituents of the liquor. They take it for granted when they see "brandy" on the label that they are getting brandy, whereas, under the proposed Government indorsed qualified descriptions they will be getting spirit which cannot, in any sense, be called brandy. The Government should not lend themselves to any such deception. I do not think we should use the word "brandy" in connexion with the term "blended," except when it is applied to spirit distilled from grape wine. If we are going to adopt any distinctive label for what are erroneously termed blended brandies, that is to say, for beverages which are composed partly of grape wine spirit and partly of grain spirit, we should employ some such term as "snake-juice," and add to the description "rank poison." Then we could feel assured that the consumers would know what they were drinking. If they have a fair idea of the character of the beverage which they are consuming we shall probably find that the demand for that class of spirit will fall off very considerably.

Mr. SKENE (Grampians) [3.1].—I was rather surprised to learn that the term "brandy" could be applied to any spirit other than that which is produced from grape wine. With regard to the attitude which has been taken up by the honorable member for Bland, I think that we have to consider the quality of the brandy which is imported.

Mr. WATSON.—That is a question which ought to be dealt with in another way.

Mr. SKENE.—Possibly. When the honorable member was speaking it struck me that if we do not permit brandy which is locally produced from other than grape spirit to be designated by that term, we should also prevent imported spirit of the same kind from coming into competition with grape wine brandy.

Mr. WATSON.—I quite agree with that idea.

Mr. SKENE.—It seems to me that the term "blend" in these resolutions is not used in the way in which it has been previously employed. The particular article under discussion seems to me to be a mixture rather than a blend. For instance, a Scotch blend of whisky is generally a blend of the spirit of two distilleries made from the same material.

Mr. WATSON.—Not always. They blend maize spirit with malt spirit.

Mr. SKENE.—Of course the term "blend" does mean simply a mixture of various kinds. If we admit that whisky may be made partly from malt spirit and partly from grain, we must also admit that brandy may be produced in the same way. I think that the difficulty can be overcome when the Bill is introduced by giving a more distinctive name to each of these articles.

Mr. WATSON.—We might omit the term "brandy."

Mr. SKENE.—I do not think that that course is necessary. When the Bill, in which these resolutions will be embodied, is brought forward, I think that the article referred to in item No. 1 of the Excise proposals, should be called "pure Australian grape brandy," because I am of opinion that a name should carry its own interpretation. The other brandies might then be called "blended brandies." The recommendation of the Commission is that brandy which is distilled wholly from grape wine should be called "Australian standard brandy." But the term "standard," I would point out, does not convey any particular meaning to the ordinary individual. After hearing the remarks of the honorable member for Bland, I recognise that a difficulty exists in differentiating between this article and imported brandy. The Tariff Commission, so far as I understand, did not arrive at any conclusion as to how the brandies which are imported are produced. They simply decided that the

best French brandies are not introduced into Australia. They were not able to elicit any satisfactory information as to the materials from which the imported brandies which are in use in Australia, are produced. We shall be doing an injustice to those who are engaged in the local production of grape brandies if we allow a blended article to be sold here in competition with them. The local distillers of pure grape brandy believe that they can compete with any article which is imported. I shall return, however, to this matter when the Bill embodying these resolutions is under consideration.

Mr. FISHER (Wide Bay) [3.5].—I take it that the question before the Committee is whether the recommendations of the Tariff Commission ought to be accepted in preference to the proposals of the Government. I am entirely in agreement with the honorable member for Grampians that the whole of the constituents of brandy should be produced from grape wine. But the Government have introduced an entirely new definition of brandy by using the term "blended grain brandy."

Mr. MAHON.—Did not the Commission introduce that?

Mr. FISHER.—They did not.

Mr. MAHON.—I think so.

Mr. DEAKIN.—They did not use the name itself, but they recommend that distillers should be allowed to use grain in the production of brandy.

Mr. FISHER.—They do not use the term "blended grain brandy" in my copy of their report.

Mr. WEBSTER.—They use the words "from other material."

Mr. FISHER.—That is the whole point at issue. Now we find that the Government desire to specify one particular class of spirit, and to designate it "brandy." The Chairman of the Tariff Commission has intimated that he will die fighting for the recommendations of that body rather than abandon one iota of its conclusions.

Mr. MAUGER.—He has given way upon this point.

Mr. FISHER.—He has not. He has informed me that he will not agree to the Government proposal.

Mr. MAUGER.—Not two minutes ago he told me that he would.

Mr. FISHER.—I have his personal assurance that he intends to stand by the report of the Commission.

Mr. MAUGER.—I have it from him personally that he intends to give way on this point.

Mr. HUTCHISON.—He thinks that the Government proposal constitutes an improvement.

Mr. FISHER.—Then why has he not said so?

Mr. HUTCHISON.—He has.

Mr. FISHER.—The Commission has laid it down that where we depart from a brandy which is produced wholly from grape wine we must not impose any restriction whatever upon the distillers. I do not object to the vigneron seeking to obtain the full advantage to be derived from the production of a pure grape brandy. But why is an agitation set up in favour of grain brandy? Whoever heard of a grain brandy?

Mr. JOHNSON.—Nobody outside of this Committee.

Mr. FISHER.—Some persons appear to be more expert in draftsmanship than they are in describing an article to which they wish to render a service. Underlying the whole of this manoeuvring, or finessing, is the determination not to allow spirit to be produced from a certain commodity, which is known as molasses. I ask the Government whether it is a manly policy to give expression to that determination in this way? It has been intimated by a few honorable members that if spirit is permitted to be distilled from grain, there will be a large increase in the production of grain. I hold that no man with common sense will believe a statement of that character.

Mr. McWILLIAMS.—How much grain would be required to manufacture all the brandy that is produced in Australia?

Mr. FISHER.—I am not expert enough to say.

Mr. McWILLIAMS.—Very little.

Mr. FISHER.—I have taken the trouble to ascertain whether the spirit which is obtained from sugar is in any way inferior to that which is produced from grain, and I am assured by the most competent authorities that it is not.

Mr. CONROY.—I can assure the honorable member that it is not. The latter spirit is a little more expensive to produce, because of the cost of the material from which it is obtained.

Mr. FISHER.—The position taken up by the honorable member for Bland is quite a logical one. He says, "Here is a

particularly cheap spirit. If we permit it to be used for blending purposes, let us impose a higher duty upon it so as to obtain an increased revenue."

Mr. MAHON.—Is grain spirit cheaper than molasses spirit?

Mr. FISHER.—I think not. I repeat that the position taken up by the honorable member for Bland is a logical one. He says, "If we allow spirit produced from other than grape wine to be used in brandy, let us impose a higher duty upon it." But why single out grain spirit for special treatment? I am satisfied that the Government have a reason for so doing. The Attorney-General indicated that reason last night. He believed that a large consumption of grain would lead to the opening up of new country, and to that article realizing a higher price.

Mr. KENNEDY.—The more expensive spirit should bear a higher duty.

Mr. FISHER.—That is a new idea.

Mr. KENNEDY.—No; that is the reason for the whole of the differentiation.

Mr. FISHER. — Does the honorable member think that that is the idea underlying this movement? I know perfectly well that it is not. The whole purpose of the Government is to exclude another spirit. I say that it is beneath contempt for Parliament to attempt anything of the kind. I have yet to learn that it is wicked to produce a good article cheaply. If it be good and plentiful that fact should be recognised. I say, "Tax it to the full extent that it should be taxed, but do not differentiate against it merely because it is good and cheap." For this reason, I ask the Committee not to adopt the Government proposal, but to indorse the recommendation of the Tariff Commission, which has devoted so much attention to these matters, and which has presented its conclusions in a most definite form.

Mr. LIDDLE. — Does not the honorable member think that alcohol would be cheaper if it were not taxed at all?

Mr. FISHER.—That is quite another question. Personally, I am of opinion that spirituous liquors are very fair subjects for taxation. I trust that the Committee will support the recommendation of the Tariff Commission in this connexion. I should like to indicate to honorable members the way in which this proposal will be put. I presume that the Chairman will put it in the form, "That the rate

of duty recommended by the Commission stand part of the schedule," and that all those who are in favour of the proposal of the Commission will then have to say "Aye."

Mr. HUTCHISON (Hindmarsh) [3.15]. —I would point out to the honorable member for Wide Bay, who has urged the Committee to adopt the recommendation of the Commission, that that recommendation is that only approved spirit shall be used in the blending of brandy.

Mr. FISHER.—I quite agree with that proposal.

Mr. HUTCHISON.—The Government proposal will really give effect to the recommendation of the Commission.

Mr. FISHER.—No.

Mr. DEAKIN. — The chairman of the Commission last night agreed to it.

Mr. HUTCHISON.—Exactly. When I said that, in arriving at this decision, the Commission must have had in mind the exclusion of molasses and potato spirit, no denial came from any member of that body. As a matter of fact, the chairman has agreed to the proposal. I am satisfied that the House would not allow a mixture of 25 per cent. of tea and 75 per cent. of some other substance that was not injurious to health to be sold as "tea," and I hold that a mixture of 25 per cent. of pure grape spirit with 75 per cent. of some other spirit should not be described as brandy. At the proper time I shall move that the word "brandy," which occurs in two places in this paragraph, shall be left out, and it will then be open to any honorable member to move the insertion of any other word or words. My own proposal is that the word "spirits" be substituted for brandy. I do not know who is in charge of this Bill; it seems to be left to take care of itself.

Sir JOHN FORREST.—That is not a fair statement; the Prime Minister has been here throughout the proceedings.

Mr. HUTCHISON.—It is an absolutely fair statement. I desire to obtain from the Government some information with regard to certain spirits, and, in the absence of the Prime Minister, I do not know to whom to appeal. I understand that it is the desire of the Government, as well as of the Committee, that only wholesome spirits shall be supplied to the public. I believe, however—and it is on this point that I seek information from the Government—that wine spirit and also other spirit 65 per

cent. over-proof is being manufactured into bogus rum and whisky. It is said to be flavoured with essences and adulterated with colouring matter after it leaves the control of the Customs Department. It is necessary, when we are dealing with the whole question of the spirit duties, to consider the best steps to take for the protection of the public. So far as brandy is concerned, we can readily protect the consumer by providing that only that which is distilled from the pure grape shall be so described. I should like to know whether the Government have any information supporting my statement that highly-coloured inferior spirits are being sold as genuine whisky, rum, and so forth? If this is being done, manufacturers of pure rum and whisky must be seriously handicapped, and I hope that the Government will be able to supply us with some information on the subject.

Mr. MAHON (Coolgardie) [3.22].—A very fine Federal spirit permeated the last two speeches to which honorable members have listened. In the first place, the honorable member for Hindmarsh is very anxious that grape spirit shall alone be used in the manufacture of brandy, whilst the honorable member for Wide Bay desires that a blended brandy in which the molasses spirit produced in Queensland is largely used shall go into general consumption. I sympathize to a considerable extent with the honorable member for Hindmarsh, since, if there be any justification for the proposal made by the honorable member for Bland, we ought certainly to provide that only brandy produced from pure wine spirit shall be sold as brandy. I was sorry to hear the honorable member for Wide Bay assert that the action of the Committee in proposing to confine the use of molasses spirit to blended grain brandy was "beneath contempt," for such a term should not be employed to describe any action on the part of this Chamber. I am prepared, when occasion demands it, to use strong language, but it does not appear to me that the honorable member for Wide Bay is justified in his excitement and zeal about this proposal to exclude molasses spirit from blended wine brandy. He was scarcely fair in urging that one of the component parts of that blend should be spirits distilled from molasses. As a matter of fact, he wholly ignored the question of cost. According to figures supplied by importers, the esti-

mated cost of wine spirit is 4s. per gallon; that of malt spirit is 3s. 2d. per gallon; grain spirit, 1s. 9d. per gallon; and molasses spirit only 6d. per gallon.

Mr. McCAY.—The Tariff Commission gives the cost of grain spirit as 2s. 9d. per gallon.

Mr. MAHON.—I have not had an opportunity to compare these figures with those supplied by the Commission.

Mr. FISHER.—The honorable member sticks to the importers.

Mr. MAHON.—I believe that the figures supplied by the importers are fairly reliable, but if the honorable member chooses to adopt those furnished by the Commission, he may find that they are still more opposed to the position which he invites the Committee to take up. There is no justification for placing grain spirit and molasses spirit on the same footing. If we are to differentiate, we ought to do so in favour of the honest spirit produced from grain. I think that the honorable member will agree that sugar, molasses, and other products of Northern Queensland are already receiving fair protection.

Mr. FISHER.—I make no complaint in that regard.

Mr. MAHON.—But the honorable member loudly complains that the Government propose to exclude molasses spirit from blended wine brandy. I trust, however, that the Committee will not be misled and induced to adopt the course which he has suggested. If we are to have a differentiation in favour of pure wine spirit, then we ought to have some regard to the question of cost, and in the case of blended brandy should give the greater preference to brandy consisting largely of pure grain spirit.

Mr. McCOLL (Echuca) [3.28].—I am extremely surprised that the Committee failed to agree immediately to the proposal submitted by the Government. It seems to be, from every point of view, a most desirable one. If adopted, it will give support to one of our chief products: it will afford a market for the produce of our wine-growers, and, at the same time, will enable us to see that, as far as possible, only pure brandy is offered to the public. We cannot possibly insure to the consumers an absolutely good spirit, for, in the last resort, supervision over the retail houses is necessary to bring about that result. We can, however, absolutely provide that the spirit imported into Australia, and that locally produced, shall be correctly described, so that the people will

know what they are drinking. We should also provide that if a man be supplied with that for which he does not ask, the vendor shall be liable to punishment. I am surprised that the honorable member for Wide Bay should have complained so bitterly of the proposal to exclude molasses spirit from blended grain brandy. The arguments are against his contention. The honorable member for Coolgardie has aptly pointed out the difference between the cost of grape spirit and molasses spirit. The cost of the material used in the production of grape spirit is equal to about 2s. 6d. per gallon. Five gallons of wine are required to make one gallon of spirit, and if the vignerons are to receive anything like fair remuneration, that wine cannot be obtained at less than 6d. per gallon. and in many cases 8d. per gallon has to be paid. Twenty lbs. of maize are required for the distillation of a gallon of proof spirit, and, as maize to-day costs 3s. 6d. a bushel, the cost of maize spirit is about 1s. 3½d. per gallon.

Mr. McWILLIAMS.—The present price of maize is not its normal price.

Mr. McCOLL. — Twenty-five lbs. of wheat are required for the distillation of a gallon of proof spirit, which, at 3s. 4d. a bushel for the wheat, makes the cost of the spirit 1s. 4¾d. Oats is rarely used by itself for distillation purposes, being generally mixed with other grain to make the wort come away more freely, 27 lbs. being required for the distillation of a gallon of proof spirit. Twenty-five lbs. of barley are required for the distillation of a gallon of proof spirit, which, at 3s. 6d. a bushel for the barley, makes the price of the spirit 1s. 9d. Of malted barley, 34 lbs. are required for the distillation of a gallon of proof spirit, which therefore costs about 2s. 11d. Good molasses, however, can be obtained for from 30s. to 35s. a ton, so that the cost of a gallon of proof spirit made from that material would be between 3d. and 4d. This is the spirit which the honorable member for Wide Bay wishes to foist upon the drinkers of this country. But is it consistent to treat spirit made from cheap material in the same way as spirit made from dear material? The proposal of the Government is absolutely just and fair. It is calculated to provide good liquor for the people, and to assist a primary industry, and I shall support it.

Mr. BAMFORD (Herbert) [3.33].—We have now an opportunity such as may not

again be afforded to us of providing for the building up of a large export trade in good pure brandy. With regard to blended brandy, it does not matter to me personally whether molasses or other material is used for distillation. The farmers get no benefit from the distillation of spirit from molasses, that being a waste product of the sugar mills.

Mr. DEAKIN.—There will be a great demand for molasses spirit as methylated spirit, which is now free of duty.

Mr. BAMFORD.—Yes. The distillation of spirit in Queensland is now very great, and I am certain that all the molasses spirit made in that State is not used for blending purposes. As a matter of fact, a great deal of it is used for industrial purposes, and, no doubt, the demand for it in this direction will increase. The Government, however, should give a better reason than has been furnished for prohibiting the use of molasses spirit as a blend. If it can be shown that such spirit is deleterious, I shall be willing to admit that it should not be used. But that has not been stated by either the Prime Minister, the Minister of Trade and Customs, or any of the experts whose opinions have been cited, and if that is the only reason, I maintain that it is an exceedingly weak one. On the other hand, if it is to be differentiated against on the ground of cheapness, I should like to know why it is not proposed to charge different rates of duties on maize spirit, wheat spirit, barley spirit, and malted barley spirit, which differ considerably in cost. Furthermore, potato spirit and beet root spirit, which are quite as costly as wheat spirit or barley spirit, are not allowed to be used. Surely this is an illogical position. In my opinion, the amendment of the honorable member for Hindmarsh should have the support of the Committee. When I have the opportunity, I intend to move the omission of the words "blended wine" from the title of the spirit on which it is proposed that the duty should be 11s. a gallon, because I think that that spirit should be known only as brandy.

The CHAIRMAN.—The provision in regard to blended wine brandy has been agreed to, and the Committee is now discussing a proposal to substitute a new paragraph for paragraph 2 of the motion.

Mr. BAMFORD.—Then I shall move my amendment when we come to deal with the Bill. There should be no misunderstanding as to the meaning of brandy,

which is a spirit distilled wholly from grapes. I see no need for the term "blended wine" brandy.

Mr. LIDDELL (Hunter) [3.38].—Seeing that the Committee is discussing a proposal to alter the Excise duties, and that the administration of the Customs Department is also to some extent under review, I am surprised that the Minister of Trade and Customs is not in his place. Versatile as is the Prime Minister, he is hardly fitted to fill the vacancy, because I believe that he prides himself upon the fact that he knows very little about spirituous liquors, whereas his honorable colleague, by reason of a long parliamentary experience, no doubt, is well fitted to give us information on the subject. But, difficult as it is for an inexperienced member, without such guidance, to follow this complicated discussion, it is plain that Australia is gradually building up an export trade in wine. We have thousands of acres suitable for the cultivation of grape vines, and for the carrying on of those industries in which the inhabitants of the southern part of Europe have excelled. But we know that if you give a dog a bad name you may as well hang him, and if we allow our brandies to be blended with spirit distilled from other material than grapes, their reputation will be ruined, because we shall cease to have a standard Australian brandy of unrivalled excellence, and the public of other countries will be unable to distinguish between our pure brandies and our brandies which have been blended with spirit distilled from molasses, barley, and other materials. I shall vote against the amendment.

Mr. FISHER (Wide Bay) [3.42].—It is evident that a number of honorable members who have taken part in the discussion have not known exactly what is before the Chair. The Committee has agreed to two rates of duties, which give complete protection to grape growers and wine makers, and I object to the attempt which is now being made to prevent molasses spirit from being used for blending purposes in the same way as grain spirit. It has been argued that molasses spirit should be excluded, because it is cheap, but, on the other hand, spirits distilled from other materials than grain, which are equally as dear as grain spirit, have also been excluded. The proposal cannot be defended on the ground of protection, because the quantity of grain used

for the distillation of spirit is so small that its production cannot give employment to any large number of persons, and it seems to me that it is not a good reason for objecting to the use of a certain spirit to say that it is cheap. No one has been able to assert that spirit distilled from molasses is injurious.

Mr. DAVID THOMSON.—Honorable members have allowed that to be inferred.

Mr. FISHER.—It can be inferred from the proposal of the Government. The members of the Tariff Commission, however, make no such statement. They were prepared to allow blended brandy to be distilled partly from grape wine and partly from other materials, recognising that provision would be made for the production of a pure wine brandy. I agree with the honorable member for Hindmarsh that pure brandy should be distilled wholly from grapes, but we are dealing now, not with pure brandy, but with a blended brandy. I apologise to the honorable member for Coolgardie if I hurt his feelings by the words I used.

Mr. MAHON.—The honorable member has not yet told us why we should give the same protection to a spirit costing 6d. per gallon as to one costing 3s. 2d.

Mr. FISHER.—If honorable members say that molasses spirit is excellent, but must not be used because it can be produced too cheaply, and thereby imply that the public can get a good article for too little, there is no more to be said. The honorable member for Bland took up the right attitude in regard to this matter. I have shown that the farming industry will not benefit materially by this provision in regard to the use of grain spirit. Why should we sacrifice revenue in order to maintain an industry in support of which nothing has yet been said. I should like to ask the protectionist members of the House whether, after having fostered an industry under our Tariff, we should, during a period in which we are pledged to observe fiscal peace, alter the duties in such a way as to destroy it.

Mr. MCCAY.—The duty upon molasses spirit remains unaltered.

Mr. FISHER.—The honorable member is quite correct, but his legal mind has caused him to ignore the fact that if a special preference be given to manufacturers of other classes of spirit the competitive relations between them and the distillers of molasses spirit will undergo a

complete change. The proportional relationship will be altered, even though the duty upon molasses spirit may be retained. I would again direct the attention of honorable members to the figures which I quoted last night. These show that the distilling industry in New South Wales which did not exist before the introduction of the Tariff has grown to such an extent that 655,531 gallons of spirits have been produced up to the present time. The honorable member for Echuca is quite prepared to wipe out this industry.

Mr. McCOLL.—No; but I would put it in its proper place.

Mr. FISHER. — That would be equivalent to wiping it out of existence, because the honorable member said that molasses spirit should not be used.

Mr. McCOLL.—I did not say that.

Mr. FISHER.—The honorable member stated that it should not be allowed to come into competition with other spirit, such as grain spirit.

Mr. McCOLL.—Not upon the same footing, for the reason that grain spirit costs 2s. 6d. per gallon, whilst molasses spirit can be produced for 3d. per gallon.

Mr. FISHER.—The honorable member did not argue for one moment that spirit made from molasses was worse than that produced from any other commodity apart from wine.

Mr. McCOLL.—I did not discuss that point at all.

Mr. FISHER. — Does the honorable member contend that because molasses spirit is cheap and good it should not be used for blending with wine spirit?

Mr. McCOLL.—I do not think it should be so used.

Mr. FOWLER.—It is because it is cheap that it is used by the vigneron.

Mr. FISHER.—It is the duty of the Government to conserve the revenue, and I maintain that if a good spirit can be cheaply produced we should subject it to a higher duty when it is blended with something else. If it could be shown that molasses spirit was bad I should have nothing whatever to say in favour of it. But, if the only objection that can be urged is that it is cheap, I contend that permission should be given to use it for blending purposes, and that a higher duty should be charged in order that the Government and the public might derive the benefit.

Mr. McCAY.—There is nothing in these proposals to prevent molasses spirit from

being used for blending purposes. The honorable member is asking for the very thing that is provided for in the scheme.

Mr. FISHER.—Does the honorable and learned member contend that there is nothing to prevent molasses from being used in the composition of blended grain brandy?

Mr. McCAY.—The honorable member is now speaking of spirit which is subject to a certain rate of duty.

Mr. FISHER.—My contention is that grain spirit is not better in quality or more wholesome than is molasses spirit.

Mr. BATCHELOR.—No one said it was.

Mr. FISHER.—Then I argue that it is the duty of the Government to protect the revenue by imposing a higher duty upon molasses spirit when used for blending purposes, and not to preclude manufacturers from using it in that way. The amount of grain that would be used for distillation purposes would not be very great, and no appreciable benefit would be conferred upon the farmers by the encouragement of distillation from grain. The Government propose to throw away revenue for a mere idea. I would not object to the proposed Excise duty being increased to 13s., if the cheaper spirits were allowed to be used for blending purposes under paragraph 3.

Mr. JOSEPH COOK.—Does the honorable member know that grain spirit costs 2s. 3d. per gallon as compared with molasses spirit, which costs only from 6d. to 1s. per gallon.

Mr. FISHER. — Yes, I am perfectly aware of that; but I contend that grain spirit distillation is not an industry, and that it is proposed to throw away revenue for an idea.

Mr. JOSEPH COOK.—The honorable member is talking about the quality of the grog, whereas I am thinking about the revenue.

Mr. FISHER.—My desire is to protect the revenue. I am quite willing that the duty should be increased to 13s., if any spirit is allowed to be used for blending purposes. The Tariff Commission, after a thorough inquiry into the matter, came to the conclusion that blended brandy should be composed partly of spirit distilled from grape wine, and partly of spirit distilled from other materials. That is their idea of blended brandy.

Mr. HUTCHISON.—The Commission, in their report, mentioned "other approved materials."

Mr. FISHER. — If molasses spirit, or any other commodity, is not approved, I shall have nothing further to say about it.

If molasses spirit is bad, it should not be used for blending purposes. The same argument would apply to any other kind of spirit. I am not fighting in the interests of molasses spirit in particular, but when we find that an industry has grown up under the Tariff, not only in Queensland, but in New South Wales, we should not impose differential duties that would have an injurious effect upon it, when no particular purpose, and certainly no purpose of high policy, is to be served. It seems to me that the Government are manœuvring to prevent cheap and good spirit from taking the place of grain spirit, although the manufacture of the latter, even upon a large scale, would not be of any assistance to the farmers. I am quite prepared to agree to the addition of another shilling to the duty if molasses and other approved spirits are allowed to be used in making blended brandy.

Mr. McCAY (Corinella) [3.55].—I have listened with great attention to the honorable member for Wide Bay, and, with all respect to him, I think that he has misapprehended one of the essential facts of the case. So far as I understand the Government proposal, there is nothing to prevent molasses spirit from being blended with grape spirit after it is cleared from bond.

Mr. DEAKIN.—It is merely a question of the label.

Mr. McCAY.—Exactly. I presume that grape wine and molasses spirit blended could be sold as brandy.

Mr. DEAKIN.—As whatever they care to call it.

Mr. FISHER.—It could not be sold as grain brandy?

Mr. McCAY.—No, because it would not be grain brandy.

Mr. FISHER.—Then we should insert another provision relating to blended molasses brandy.

Mr. McCAY.—The honorable member is coming back to what I suggested last night, namely, that a blend such as he indicates should be called "rum brandy"—very rum brandy. Speaking generally, blended grain brandy as indicated in paragraph 3 will be composed of grape spirit and grain spirit. The cost of grain spirit ranges from 2s. 9d. to 2s. 11d. per gallon, whereas that of molasses spirit ranges from 10d. to 1s. In other words, there is a difference of about 2s. between the cost of the respective spirits. If the duty be added, grain spirit under paragraph No.

3 would cost 14s. per gallon, and molasses spirit under other provisions would cost 14s. per gallon. In other words, the two spirits are placed practically upon an equality, so far as their possible use in blends is concerned. I take it that we have revenue considerations as well as those relating to fiscal policy to bear in mind. The proposal of the Government, whether designedly or not—and the same principle underlies the proposal of the Tariff Commission—is based upon the idea that the spirit which is more cheaply produced can stand a higher duty for revenue purposes. Quite apart from the question of its wholesomeness, a spirit cheaply produced can stand a higher duty, and still be upon an equality for competitive purposes when it comes into the market.

Mr. FOWLER.—Why should it not have the natural advantages of its cheapness?

Mr. McCAY.—Because I presume we want revenue. Paragraph 3 applies only to brandies composed of grape wine spirit and grain spirit, but I say that there is nothing to prevent blends of grape spirit and molasses from being sold as brandy. The proposal before the Committee is that a blend of grape wine spirit and grain spirit shall be called a blended grain brandy, and the name will indicate that both grape wine spirit and grain spirit have been used in the blend. That would be a statement of fact, and I should object to a blend of grape wine spirit and molasses spirit being called a grain blend, because that would be a misdescription. So far as this particular item is concerned, the honorable member for Wide Bay can have no objection to its being limited to blends of grape wine and grain spirit. If he wishes to insert another provision relating to blended molasses brandy, that will be a matter for after consideration. If, however, we are to follow the same principle that we have adopted all along, and increase the duty upon the spirit as the cost of production falls—which, I think, is largely intended to serve the purposes of the revenue, although there may be considerations of quality involved—the manufacturers of molasses spirit blends will be no better off with 13s. duty upon that class of spirit. In fact, they will be worse off, because they will have to pay 13s. per gallon duty upon the blend, whereas if the spirits were taken separately they would pay only 10s. per gallon

upon grape wine spirit, and 13s. per gallon upon molasses spirit. If the honorable member for Wide Bay wants to insert an item relating to blended molasses spirit, the revenue officers would no doubt be glad to accept it, because the manufacturers would have to pay more duty. He would pay 13s. per gallon upon four gallons, instead of 10s. upon one gallon, and 13s. upon each of three gallons. The honorable member for Wide Bay has suggested that the Government proposal implies that grain spirit is better from a medical stand-point than is molasses spirit.

Mr. FISHER.—Undoubtedly; that is the aim of the whole thing.

Mr. McCAY.—I agree with the honorable member that that is the general impression. These cheap spirits are usually more injurious than are spirits which are produced from material which costs more.

Mr. DUGALD THOMSON.—Many persons affirm that rum is a most wholesome spirit.

Mr. McCAY.—I am not an authority upon the quality of spirits. But I know the English language, and I am acquainted with the simple rules of addition and subtraction, and that knowledge is all that one requires to possess to enable him to speak upon this aspect of the question. The principle which has been followed in the Government proposals—and the principle which has practically been recognised by the Tariff Commission—is that the dearer class of spirits should be placed upon something like an equality with the cheaper class of spirits, otherwise the spirit which cost less to produce would drive the dearer article completely out of the market.

Mr. DAVID THOMSON.—That is a very good protectionist argument.

Mr. McCAY.—I am a protectionist, and I do not propose to use any free-trade arguments, either now or at any other time. The honorable member for Wide Bay is also a protectionist, but I do not know what fiscal faith is professed by the honorable member for Capricornia. I have never heard him object to the application of protectionist principles to sugar. Under these proposals, molasses spirit will enjoy a considerable advantage, and one which I do not begrudge it. It is a by-product of the sugar industry. Unfortunately, an attempt is being made to enable it to oust from the market spirits which are produced from more expensive materials. The honorable member for Wide Bay has stated

that all he desires is that molasses spirit shall have the same chance as is accorded to other spirits. Under the Government proposals, I maintain that it has that chance.

Mr. FISHER.—It is precluded from being used for blending purposes.

Mr. McCAY.—It is precluded from having a better chance than is enjoyed by other spirits, but it has precisely the same chance. If the honorable member really wants it to have only the same chance as other spirits, he will accept these proposals. If, upon the other hand, he desires that the spirit obtained from molasses shall retain its present advantage, he will reject them.

Mr. FISHER.—I am in favour of the recommendations of the Tariff Commission.

Mr. McCAY.—I do not propose to deal with them. The differences between the proposals of the Government and the recommendations of the Commission are merely differences in detail as to the application of the same principle. When I heard the honorable member for Wide Bay say that all he desired on behalf of molasses spirit was equality of opportunity—a good, wholesome, anti-socialistic doctrine—

Mr. FISHER.—I am prepared to go further, and to sanction an increase of the duty if the manufacturers are allowed to use a cheaper spirit.

Mr. McCAY.—If the duty were increased, the honorable member would get no more than he has already obtained.

Mr. FISHER.—Molasses spirit cannot come into the blend at all.

Mr. McCAY.—It can be used under "Spirits, n.e.i."

Mr. FISHER.—But not under the proposal which is before the Committee.

Mr. McCAY.—Molasses spirit can be blended with grape spirit and sold as brandy, but not as grain brandy. Of course, it is possible that it may be advisable to introduce such a heading as "Brandy rum," or "Rum brandy." It seems to me that those who are opposing the proposal before the Committee wish to retain for molasses spirit—owing to the cheapness of its production—the advantage which it now possesses. That may be a very proper thing, but if that is the end in view, its advocates should not disclaim their desire.

Mr. KENNEDY (Moir) [4.6].—I think that the whole of this trouble has

arisen from a misconception on the part of the honorable member for Wide Bay. I have listened attentively to the speeches he has delivered on the subject. He appears to think that the proposal under consideration will exclude the use of molasses spirit in the production of brandy.

Mr. FISHER.—The proposal differentiates from the report of the Commission.

Mr. KENNEDY.—As far as I am able to judge, the recommendations of the Commission would confer a greater advantage upon molasses spirit than it enjoyed under the Tariff previously. Under paragraph 5 that spirit will receive a preference of 2s. a gallon.

Mr. DEAKIN.—Under paragraph 10 molasses spirit will gain an enormous advantage, because, being a cheap spirit, it will practically command the market in methylated spirits.

Mr. KENNEDY.—The proposals of the Government attempt to differentiate between spirits according to the value of the materials which are used in their production. They practically place the manufacturer of molasses spirit in a much better position than he previously occupied under the Tariff. The honorable member for Wide Bay fears that the use of molasses spirit in any article which is designated as brandy will be precluded. I can assure him that that is not so.

Mr. DUGALD THOMSON (North Sydney) [4.8].—I spoke upon this matter last night, and I have no desire to add much to what I then said. I merely wish to point out that the honorable member for Wide Bay is at least justified in objecting to the proposals of the Government, unless they can assure him that the consumption of molasses spirit is more injurious than is that of grain spirit. There are only two logical positions which can be taken up in reference to this matter. One is that which has been assumed by the honorable member for Hindmarsh, who contends that if brandy is to carry the *imprimatur* of the Government approval—

Mr. DEAKIN.—I confess that that is still open to argument.

Mr. KENNEDY.—But the labelling of an article will only be of use for Excise purposes.

Mr. ROBINSON. — It cannot affect its sale.

Mr. DUGALD THOMSON.—Exactly. But let us suppose that spirits were bottled under the supervision of an Excise officer. For the convenience of their trade, merchants very frequently keep stock in bond in the form in which it is likely to be purchased. If stock is put up in that way the Government will grant to that portion of it which complies with the conditions which are here prescribed the use of a special label. They will also exercise control over any other label which it is sought to attach to a portion of the goods. It seems to me that under these provisions, whilst the Government would permit their special grain brandy label to be applied to a brandy which was made partially from grain spirit, they would refuse to allow the term "brandy" to be attached to a blend which was obtained from the use of molasses spirit. That would be perfectly right, and a proposal of that character will command my support if it can be shown that the consumption of molasses spirit is more injurious to the people than is that of grain spirit. But if that cannot be demonstrated, the Government, if it believes that only spirit from the grape should be called brandy, should say, "We will only allow our label to be placed upon brandy which is the product of pure wine spirit." That is a perfectly logical position to take up. But when they go beyond that, and permit an admixture of other spirits in an article—an admixture to the extent of 75 per cent.—and when they say, "We will recognise only grain spirit," they take up a position which is only tenable if it can be shown that grain spirit is better from a health stand-point than the other spirit which they exclude. Whilst I am perfectly willing to support the proposal of the honorable member for Hindmarsh that brandy to which the Government label will attach must be wholly the product of the grape, I do not say that we should prevent the manufacture of another article which has a market, and which is not more deleterious, from a health stand-point, than are spirits generally.

Mr. JOHNSON.—The honorable member simply wishes to guard against a misdescription?

Mr. DUGALD THOMSON.—Yes. If we are going to apply a Government label to brandy, it is preferable that it should be confined to what the Government

recognise as the only pure brandy—that is, an article which has been distilled wholly from grape spirit. If we are to go beyond that, I would rather see this provision left out entirely, and thus subject other blends of brandy to the duty of 13s. per gallon. The honorable member for Coolgardie has said that some State feeling has been imported into this discussion. The only way in which such a feeling can be imported is by the selection of certain articles for special treatment. If we merely say that a particular duty shall be levied upon approved spirit—that is, upon spirit from either grain or molasses the consumption of which is not injurious to human beings—we make no State selection whatever. But if we approve of spirit which is produced from certain articles only, we at once create a distinction as between State and State.

Mr. MAHON.—If molasses spirit is cheaper than grain spirit, surely the former will drive the latter out of the market under equal conditions.

Mr. DUGALD THOMSON.—If that contention were correct, by this time all the spirit would have been made from molasses. I cannot say whether molasses spirit is as palatable or agreeable as is grain spirit—I confess my utter ignorance of that aspect of the question—but as long as molasses spirit is not detrimental to health—

Mr. FISHER.—Every one admits that it is not.

Mr. PAGE.—We are told that Nelson's body was preserved in rum.

Mr. DUGALD THOMSON.—Many people, including some medical men, hold that good rum is the least injurious spirit, and we have no evidence that molasses spirit is more injurious than is raw grain spirit. That being so, I do not see why the Ministry should be prepared to allow a blend of grain spirit and grape spirit to be described as "brandy," and to bear the Government label, whilst, at the same time, they refuse to acknowledge as "brandy" another blend consisting of a mixture of wine spirit and a rectified spirit similar to grain spirit. There may be some reason for charging the higher duty on that in which molasses spirit is used, since the cost is much less; but if the Government are going to place themselves behind a label, that label should be applied only to pure brandy.

That having been done, they should say that a blend of wine spirit and grain, or any other spirit that is not detrimental to health, may be offered for sale. They certainly ought not to allow the Government label to be placed on anything that is unwholesome, but, at the same time, they should not permit it to be applied to a certain blend as being a good article, whilst, at the same time, another blend, which may consist of a mixture of grape spirit, with an equally good rectified spirit, is inferentially treated by them as bad.

Mr. CULPIN (Brisbane) [4.17].—I think that the Government are proposing to make an invidious distinction.

Mr. DEAKIN.—Every one agreed last night with our proposal.

Mr. CULPIN.—It is a mistake to describe one mixture as "blended brandy" and another as "blended spirit." The Government have not gone far enough.

Mr. DEAKIN.—I have already said that the question as to the use of the word "brandy" is an open one; we are not dealing with it at the present time.

Mr. CULPIN.—How do the Government propose to describe sugar spirit? A specific name has been given to grain spirit blended with grape spirit, but apparently sugar spirit is to be regarded as an orphan without a name, and may be described by some persons as being other than brandy. I think that it would be sufficient in this provision to use the word "brandy" alone, and I am inclined to support the proposal of the honorable member for Hindmarsh.

Mr. DAVID THOMSON (Capricornia) [4.19].—I approve of the action taken by the Government in regard to brandy made from pure grape spirit, for only that which is so made can be properly described as brandy. I hold, however, that it is an anomaly to differentiate between blended brandy consisting of a mixture of grape spirit and grain spirit, and that which consists of a mixture of grape spirit and molasses spirit. A few honorable members, who are ignorant of the facts, have endeavoured to show that spirit made from molasses is inferior to any other spirit; but any one who knows anything of distillation will admit that one highly rectified spirit is practically as good as another. It has been said, for example, that potato spirit is not as good as spirit derived from certain other materials;

but this is entirely due to prejudice. Before the distillation of spirit from molasses, potato spirit was regarded as the cheapest that could be produced, and doubtless that led to the people viewing it as an inferior article. A few representatives of the "cockies" have become imbued with the idea that if we encourage the manufacture of grain spirit we shall practically emancipate the "cocky" farmers, and place them in a better position than they have ever occupied. These honorable members hold themselves up to ridicule when they declare that in the production of blended brandy grain spirit alone should be mixed with wine spirit. Whilst I fully appreciate the contention that brandy should be made from wine spirit, I fail to see why we should differentiate between molasses spirit and grain spirit. The one is as good as the other. The Constitution does not allow us to differentiate between the States, but because New South Wales and Queensland can produce a very cheap spirit, a few representatives of other States are raising an outcry against its use. The complaint against the use of cheap molasses spirit has come for the most part from members of the free-trade party. They are always ready to support the free admission of cheap goods from China, Japan, and other countries, yet they are highly indignant when it is proposed that a cheap and wholesome local production shall be allowed to go into consumption. The honorable member for Coolgardie, who is among those who object to the use of molasses spirit, has always something to say against Queensland. He is constantly putting questions to Ministers in regard to the sugar industry of that State.

Mr. MAHON.—It is costing us something like £1,000,000 per annum for Australia.

Mr. DAVID THOMSON.—That statement only illustrates the ignorance of the honorable member so far as these questions are concerned. If it could be shown that grain spirit is better than molasses spirit, I should certainly favour the Government proposal; but it is well known that there is no difference between highly-rectified grain and molasses spirits. Reference has been made to "rum brandy," but those who have been endeavouring in this way to play upon words are evidently not aware that the process of making rum, is altogether different from that followed in the manufacture of brandy. I intend to support the proposal of the Commission.

Question—That the words proposed to be left out stand part of the motion—put. The Committee divided.

Ayes	...	...	...	13
Noes	...	...	...	37

Majority ... 24

AYES.

Cameron, D. N.	Robinson, A.
Conroy, A. H. B.	Smith, Bruce
Edwards, R.	Storror, D.
Fisher, A.	Watkinson, J.
Fowler, J. M.	Tellers:
Fuller, G. W.	Culpin, M.
Quick, Sir J.	Page, J.

NOES.

Bamford, F. W.	Mahon, H.
Batchelor, E. L.	Maloney, W. R. N.
Brown, T.	McCay, J. W.
Carpenter, W. H.	McLean, A.
Chapman, Austin	McWilliams, W. J.
Cook, Joseph	Phillips, P.
Crouch, R. A.	Salmon, C. C.
Deakin, A.	Skene, T.
Forrest, Sir J.	Smith, Sydney
Fysh, Sir P. O.	Spence, W. G.
Groom, L. E.	Thomson, Dugald
Higgins, H. B.	Tudor, F. G.
Hughes, W. M.	Watkins, D.
Hutchison, J.	Watson, J. C.
Isaacs, I. A.	Webster, W.
Johnson, W. E.	Willis, Henry
Kennedy, T.	Tellers:
Knox, W.	Cook, Hume
Liddell, F.	Ronald, J. B.

PAIR.

Thomson, David | Poynton, A.

Question so resolved in the negative.

Mr. DEAKIN (Ballarat—Minister of External Affairs) [4.33].—With the permission of the Committee, I should like to alter the provision whose insertion I have proposed by substituting for the term "blended grain brandy" the term "blended spirit," and the necessary consequential amendment and by adding the words "on and after 17th August, 1906." When the Spirit Bill is before them, honorable members will have an opportunity to consider the question of labelling, but the alterations which I now propose will remove the imputation which honorable members fear may be made to the detriment of wine brandy, and the reflection on spirit distilled from materials other than grain. We are dealing only with such spirit as will receive the approved brands recommended by the Tariff Commission. Importers and merchants will still be able to sell as brandy or as whisky whatever compounds they choose to designate by those names, and practices such as

that referred to by the honorable member for Hindmarsh will go on unchecked until the Parliaments of the States pass laws to deal with them. The Victorian Parliament has recently passed an Act prohibiting adulteration, but the Commonwealth Parliament is powerless to legislate on the subject within States, except to the extent likely to be provided for by the Bill.

Mr. JOSEPH COOK (Parramatta) [4.36].—I doubt the wisdom of providing for a brand of blended spirit which will be neither blended brandy nor blended whisky. I think that the Government *imprimatur* should be confined to articles which are pure.

Mr. DEAKIN.—The Bill will deal with the question of labelling. This is only the schedule.

Mr. JOSEPH COOK.—We know that there is a distinction between grape spirit and spirit distilled from other materials, but we do not know of any chemical difference between grain spirit, molasses spirit, and other spirit than grape spirit.

Mr. PAGE.—Why should the Government brand be given to any spirit?

Mr. JOSEPH COOK.—We have decided that the best spirit shall be labelled pure grape spirit, and I think that that is as far as we need go. My present inclination is to vote against the proposal, leaving all other spirit to go as *n.e.i.*

Sir JOHN QUICK (Bendigo) [4.39].—Honorable members are tinkering with the scheme recommended by the Tariff Commission, with the result that they are in danger of destroying its symmetry. The Commissioners recommended the adoption of terms such as are recognised in trade and commerce. For instance, brandy and blended brandy are both recognised articles of merchandise, between which a clear distinction can be drawn. But if we create a number of grades of blended spirit, we shall confuse both the trade and the public, and depart from the cardinal principle which should be kept in view. The present proposal is to create a sort of mongrel term which will not be known to trade and commerce, because whoever heard of an article being vended as blended spirit? There is no individuality about such a term. I did not raise any strenuous objection to the use of the term "blended grain brandy," because it was to a certain extent descriptive of the nature of the spirit; but to call an article "blended spirit" is to give it a name which is not distinctive. We should,

as far as possible, use only terms known to the trade.

Mr. ISAACS.—The Tariff Commissioners suggested a number of terms which are not known to the trade. For instance, "spirit for industrial or scientific purposes" is not a trade name.

Sir JOHN QUICK.—The names and descriptions recommended by the Commission are well-known and characteristic. We recommended the making of a distinction between brandy and blended brandy. That would, of course, allow the trade to turn out varieties of blended brandy. The same remark applies to our recommendation in regard to whisky.

Mr. HUTCHISON.—What would be a standard whisky?

Sir JOHN QUICK.—An all-malt whisky, just as a pure wine spirit is a standard brandy. I think that the members of the Commission, if the course proposed is followed, may well repudiate any responsibility in this matter.

Mr. ISAACS (Indi—Attorney-General) [4.44].—I apprehend that we want to deal with facts, and not merely with names. The subject before us is important from a revenue point of view, or from a fiscal point of view—according to the opinions we may hold. We are not laying down any names for the use of those engaged in the trade. We are simply dealing with definitions for our own purposes, and there is no difficulty whatever in conveying our ideas. When we say "blended spirit" we mean that the article is a spirit, and that it is blended. We are here to deal with facts, and the whole question of nomenclature can be considered in connexion with the Bill. The question for us to consider at present is as to what amount of taxation shall be levied upon particular articles, and it is proposed to provide that if a blend is composed partly of spirit distilled from grape wine and partly of grain spirit, we shall call it a blended spirit for the purpose of the Excise duty. There is no difficulty about that. It has nothing whatever to do with the trade appellation. No one will be compelled to call the blend by that name.

Mr. DUGALD THOMSON.—Is it proposed to issue a label?

Mr. ISAACS.—That is a matter that honorable members will have the fullest opportunity to deal with when the Bill is under consideration. The question of the

label is absolutely irrelevant at the present time when we are discussing a matter of taxation. We cannot create an article, but we say that if any one chooses to create it by blending spirit in a particular way he shall pay a certain amount of duty. We are not forcing any one, or inviting any one, to blend grape wine and grain spirits, but we say that if they do it they shall pay a certain rate of duty. If they do not make the blend in the manner described, they will not be compelled to pay the duty. As for the observation of the honorable and learned member for Bendigo that the Tariff Commission have used only trade names, I think that my honorable friend must have spoken without full consideration. If he looks down the list of recommendations he will find the description "spirit n.e.i. matured by storage in wood for a period of not less than two years." Is that a trade term? It is merely a description of an article. Then again, "spirits n.e.i." are referred to. That is not a trade term. No one ever heard of a distiller sending out his goods branded "spirits n.e.i." Then again, "spirit for fortifying Australian wine to be used subject to regulations" is not a trade term.

Mr. DUGALD THOMSON.—The words "spirits n.e.i." are not used as a title, but merely to signify spirits which are not elsewhere included.

Mr. ISAACS.—My contention is that all the words used in this list—or in any list of the kind—are merely intended to indicate the will of the Legislature as to the duty to be imposed upon articles answering the description given. What such articles may be called in the trade is quite another matter. I think that the whole difficulty is solved by the one consideration that when the Bill is brought in honorable members will have the fullest opportunity to say what names shall be applied in trade—so far as we are able to determine them—to the various articles, and what title, if any, shall be affixed by the Commonwealth authorities to any particular article. That is a matter for subsequent consideration. For the present, however, it is a mere waste of time to fight over terms, provided that we are agreed as to the facts. If we are agreed that an article which is partly grape wine and partly grain spirit in certain proportions, and of a certain strength, shall pay a certain Excise duty, I do not care by what name the con-

coction is called. The term "blended spirit" is a perfectly innocuous one. It does not reflect upon, nor does it recommend, the article.

Mr. BAMFORD.—It would be more correct to call the blend contemplated by the paragraph "blended grain whisky."

Mr. ISAACS.—By adopting the name "blended spirit" we sail between brandy and whisky, and I think that we have taken the proper course. We know what is meant, and we shall not force the term upon the trade, or invite those engaged in manufacture to use it. The only consideration that should engage our attention at present is whether the articles referred to should bear the amount of duty proposed.

Mr. HENRY WILLIS (Robertson) [4.50].—I understand that the Government desire to place upon the market a pure brandy, and yet they are proposing that certain spirits shall be blended in a particular way.

Mr. ISAACS.—We do not propose to blend the spirits; we say that if any one does blend certain spirits he shall pay a certain amount of duty.

Mr. HENRY WILLIS.—The Government propose to permit of the blending of grape wine spirit with other classes of spirit, and to put such a blend upon the market as brandy. If this practice is followed great injury will be done to the Australian pure brandy. I think that the proposed new paragraph should be dropped, and that spirit such as that described should come under the head of spirits, n.e.i. If this course be adopted we shall obtain more revenue, and run less risk of objectionable compounds being placed upon the market to the prejudice of the pure article.

Sir JOHN QUICK (Bendigo) [4.53].—I object to the omission of the words "grain brandy," and I am sorry that the compromise to which I tacitly agreed last night, in order to meet the views of the representatives of South Australia, has been departed from. I do not think that the Government are acting fairly in this matter, because they are proposing to obliterate the blended spirit known as the brandy of commerce.

Mr. ISAACS.—The honorable and learned member departed from the terms of his compromise.

Sir JOHN QUICK.—I had to fight for the report of the Commission. I did not

go out of my way to denounce the proposal. If I had wished to be contentious, and to take up time, I might have adopted an entirely different attitude. There are, however, ways and means of settling questions honorably and fairly, without being too pugnacious.

Mr. DEAKIN.—That is fully recognised.

Sir JOHN QUICK.—I do not think that it is right to obliterate the blended grain brandy of commerce.

Mr. HUME COOK.—Is there a grain brandy of commerce?

Sir JOHN QUICK.—Yes.

Mr. ISAACS.—I thought the honorable and learned member stated that the term "grain brandy" was invented.

Sir JOHN QUICK.—No. I said that the Government had invented the term "blended spirit." I have done my duty, and must, I suppose, rest content at that.

Question.—That the words as amended proposed to be inserted be so inserted—put. The Committee divided.

Aves	26
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Noes	14
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Majority	12
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AYES.

Bamford, F. W.
Carpenter, W. H.
Chapman, Austin
Crouch, R. A.
Culpin, M.
Deakin, A.
Forrest, Sir J.
Fuller, G. W.
Groom, L. E.
Hutchison, J.
Isaacs, I. A.
Kennedy, T.
Knox, W.
Mahon, H.

McCay, J. W.
McLean, A.
Phillips, P.
Quick, Sir J.
Ronald, J. B.
Salmon, C. C.
Skene, T.
Spence, W. G.
Storrer, D.
Tudor, F. G.

Tellers:

Cook, Hume
Batchelor, E. L.

NOES.

Brown, T.
Cameron, D. N.
Cook, Joseph
Edwards, R.
Fysh, Sir P. O.
Liddell, F.
McWilliams, W. J.
Page, J.

Thomson, Dugald
Watson, J. C.
Wilkinson, J.
Willis, Henry

Tellers:

Kelly, W. H.
Fisher, A.

PAIRS.

Lyne, Sir W. J.
Mauger, S.
Poynton, A.
Bonython, Sir J. L.
Wilson, J. G.
McColl, J. H.
Watkins, D.
Frazer, C. E.

Edwards, G. B.
Johnson, W. E.
Thomson, David
Conroy, A. H. B.
Wilks, W. H.
Lonsdale, E.
Lee, H. W.
Smith, S.

Question so resolved in the affirmative.
Amendment agreed to.

Amendments (by Mr. DEAKIN) agreed to—

That the following words be added to paragraph 3 :—"And on and after 17th August, 1906, 10s."

That the words "other materials" in paragraph 4 be left out, with a view to insert in lieu thereof the word "grain"; that the figures "35" be left out, with a view to insert in lieu thereof the figures "45," and that the following words be added to the paragraph :—"And on and after 17th August, 1906, 11s."

That the figures "35," paragraph 5, be left out, with a view to insert in lieu thereof the figures "45," and that the following words be added to the paragraph :—"And on and after 17th August, 1906, 12s."

Sir JOHN QUICK (Bendigo) [5.7].—In connexion with paragraph 6, it has been represented to me that the words "in wood" ought to be omitted, because gin is not always stored in wood.

Mr. DEAKIN (Ballarat—Minister of External Affairs) [5.8].—The matter to which the honorable and learned member refers has been brought under my notice by the honorable member for Bland. I am informed by the officers of the Customs Department that gin can be matured only in wood.

Mr. WATSON.—If it is matured in wood, it becomes discoloured.

Mr. DEAKIN.—I suggest that we should agree to the paragraph as it stands, and I will have full inquiries made into the matter before introducing the Bill embodying the resolutions arrived at by the Committee, so that it will be quite possible for honorable members to alter the provision should it be found necessary to do so.

Amendments (by Mr. DEAKIN) agreed to—

That the following words be added to paragraph 6 :—"And on and after 17th August, 1906, 12s."

That the following words be added to paragraphs 7 and 8 :—"And on and after 17th August, 1906, 13s."

Mr. MCCAY (Corinella) [5.9].—Honorable members will observe that all the amendments which have been inserted require that spirits shall be matured in wood for two years before they are allowed to leave bond. I wish to know—in connexion with both the operation of our import and our Excise duties—what arrangement, if any, has been made to give effect to that provision? Are all clearances of spirits from bond to cease during the next two

years, except upon payment of a duty of 40s. per gallon?

Mr. DEAKIN.—I am embodying in the Bill which will be introduced a clause which will cover the interregnum.

Mr. McCAY.—Otherwise there would be an absolute stoppage of trade for two years.

Mr. WATSON.—There is some spirit in bond now which is two years old.

Mr. McCAY.—There is not very much of it. Until the Bill itself has been dealt with, I presume that the provision which we have authorized will operate?

Mr. DEAKIN.—I saw the Comptroller-General of Customs this morning, and he told me that, pending the passing of the Bill, the Department were exercising the usual discretion in order to prevent the sudden stoppage of supplies.

Mr. McCAY.—Their business will be able to proceed upon somewhat fair lines until the Bill is introduced?

Mr. DEAKIN.—Yes.

Mr. DUGALD THOMSON (North Sydney) [5.11].—I merely desire to point out the need for instructions in this connexion being issued immediately. The following is a newspaper extract:—

An entry was presented at the Customs-house for a shipment of Boomerang brandy, a well-known brand bottled in Melbourne, and the rate was stated to be 40s. unless satisfactory proof could be given that the brandy had been in store for the necessary two years. And on colonial rum, distilled in Sydney, worth say, 1s. 6d. per gallon in bond, duty to the extent of 53s. was asked, the spirit being 33 over proof.

Difficulty in proving that spirit has been stored for two years is experienced, even in the case of these well-known brands. That fact clearly shows the need for the necessary instructions being issued at once, especially as they have to reach all parts of the Commonwealth.

Mr. WATSON (Bland) [5.13].—I desire to obtain definite information regarding the use of highly-rectified spirits for manufacturing purposes, even though they enter in a minute degree into human consumption. The recommendation of the Commission—and I understand that similar terms have been employed in the Bill which has been drafted to cover these resolutions—is that all spirits which enter into human consumption must be matured in wood for two years. That is a perfectly proper provision, so far as spirits which are consumed as a beverage are concerned. But I would point out that

spirits which are used in essential oils require to possess a high degree of strength, and to an infinitesimal degree they enter into human consumption.

Mr. SALMON.—They will be classed as spirits which are used for industrial purposes.

Mr. WATSON.—I think that that fact requires to be clearly set out.

Mr. McCAY.—Surely the words “industrial purposes” mean that?

Mr. DUGALD THOMSON.—The words “industrial purposes” might apply to the use of spirits for purposes such as propulsion.

Mr. WATSON.—Probably the intention was not to regard spirits in the form of essences as passing into human consumption. The Prime Minister should look into this matter with a view to making the position clear, because we do not wish to penalize the manufacturers who use these highly-rectified spirits by compelling them to pay a duty of 40s. per gallon.

Mr. DEAKIN (Ballarat—Minister of External Affairs) [5.15].—I am fortunately in a position to inform the honorable member for North Sydney that the difficulty in regard to the shipment for which entries were tendered has been settled, and to state, in reply to the honorable member for Bland, that the word “industrial” is understood in the Department to cover spirits used in connexion with essences, perfumery, and things of that kind. That interpretation will be made perfectly clear, but even in the absence of a definition the word would be so interpreted by the Department. The usual practice is being followed, and I am assured that no obstacle is being presented. The Bill will also provide for sufficient notice being given abroad relative to the provision that spirits shall be stored for at least two years. That notice will not extend over two years, but will be sufficient to allow importers to deal with orders now afloat. In dealing with future orders, they must obey the requirement that only spirits of a certain age shall be admitted.

Mr. McCAY.—A similar notice will have to be given to those producing Australian spirit.

Mr. DEAKIN.—There will be absolute equality of treatment. Although it was unnecessary, I saw the Comptroller-General of Customs to make sure that these two courses were being taken, so that there would not be any sudden interruption of

commercial transactions. I was assured by him that the ordinary steps had been taken, and that if any interruption took place it would be due to temporary misunderstandings, which could be at once put right.

Sir JOHN QUICK (Bendigo) [5.18].—Under paragraph 10, methylated spirit is to be free, "subject to regulations." It would scarcely be safe to allow such an important matter as this to be lightly dealt with by regulation.

Mr. DEAKIN.—Several clauses in the Bill relating to spirits deal with methylated spirit.

Sir JOHN QUICK.—Methylated spirit should be dealt with in a separate Bill, specifying the conditions under which it shall be obtained free, and providing all the safeguards necessary for the protection of the revenue. The Commission did not intend that methylated spirit should be unconditionally free; we intended that it should be free only when used subject to certain departmental precautions for the protection of the revenue. We considered that care should be taken by the Department to trace it to its destination, and to see that it was not used indiscriminately for other than industrial purposes. Unless very rigid safeguards be adopted, a leakage in the revenue may occur, since a lot of methylated spirit intended solely for industrial purposes may go into consumption. The conditions for methylation must be strictly defined, and provision must be made for severe penalties for breaches of the conditions. That can be done only by Statute. I invite the attention of the Government to this matter.

Mr. DEAKIN.—It is already engrafted on the Bill.

Sir JOHN QUICK.—I object to the use of the words "methylated spirit, subject to regulations free." Its free use should be subject to something more than regulations.

Mr. McCAY.—The paragraph does not provide that it shall be free subject "only" to regulations.

Sir JOHN QUICK.—That is so; but I think that the Committee is entitled to an assurance from the Government that this question will be dealt with by Statute, under which the regulations will be defined.

Mr. DEAKIN.—That is so.

Sir JOHN QUICK.—The proposal of the Government that "spirit for fortifying Australian wine to be used subject to

regulations" shall be free is not in accordance with the recommendation of the Commission. Our recommendation was that the Excise duty on spirit for fortifying Australian wine should be reduced from 1s. to 6d. per gallon. That was all that the vigneron asked; they did not demand that this spirit should be absolutely free. Their sole contention was that it should be subject to a uniform rate of 6d. per gallon, so that those in a small way of business would have to pay no more than would those whose operations are conducted on a large scale. I understand, however, that the Government propose that while this spirit for fortifying Australian wine shall be free, a charge shall be made for supervision with a maximum of 6d. per gallon. That was not demanded by the vignerons of any State, and, therefore, I cannot understand why the Government have put it forward. Already there has been a strong protest against it. The vignerons would prefer a uniform Excise duty of 6d. per gallon without any haphazard regulation to the effect that spirit for fortifying purposes shall be free, and that they shall pay for the cost of supervision a rate not exceeding 6d. per gallon.

Mr. ISAACS.—That is the maximum charge to be imposed.

Sir JOHN QUICK.—But there will be a difficulty in ascertaining the cost of supervision, and those concerned do not know what this proposal may involve. They would prefer to have a certain charge fixed by law. If this Government proposal be adopted, some of the wine-growers in a large way of business may obtain the spirit they require for fortifying purposes at an average of about 2d. per gallon, whereas small wine-growers may have to pay 6d. per gallon for it. Those who gave evidence were unanimously of opinion that the vignerons did not desire a duty or charge based upon the cost of supervision. With all due deference to the Minister in charge of the Department, I would urge the Government to revert to the recommendation of the Commission that the duty be reduced from 1s. to 6d. per gallon, so that all may be treated alike.

Mr. DEAKIN (Ballarat—Minister of External Affairs) [5.23].—The departmental report with regard to this proposal is as follows:—

The allowance of drawback of duty on spirit used in fortifying wines would probably cause a

further loss of £4,000, but the proposal itself is open to considerable objection, inasmuch as it would be impossible, unless the whole process of fortification and subsequent export was conducted under the supervision of an officer, to ascertain the quantity of spirit entitled to drawback. As the effect of the proposals to reduce the duty on spirit for fortification to 6d. per gallon, and to give drawback, would be to reduce the revenue now derived from spirits used in fortifying wine to a nominal amount, it would seem preferable to allow all spirits for fortification free of duty, subject to the condition that the expense of the officer supervising operations would be charged against the person using the spirit, to an extent not greater than 6d. per gallon on the spirit used.

Mr. McLEAN.—Would not that proposal give the big man a preference. The cost of supervision in the case of a large vineyard would not be as great as it would be in the case of a small one.

Mr. DEAKIN.—I thought that the point made by the honorable and learned member for Bendigo was probably correct, but the official comment is that there is a strong objection to the proposal of the Commission, because, unless the whole process of fortifying and exporting were conducted under supervision, there would be a difficulty in determining the duty entitled to drawback.

Mr. DUGALD THOMSON.—But there must be supervision in either case.

Mr. DEAKIN.—I undertake to have the matter carefully looked into before the provisions relating to it in the Bill are dealt with.

Mr. McCAY (Corinella) [5.25].—I find it difficult to follow the reasons given by the departmental officers for objecting to the proposal of the Commission, unless their contention is that, under the proposal of the Government, the supervision necessary would be less than that which would be required under the Commission's proposal. I presume, however, that, if the duty were reduced to 6d. per gallon, no more supervision would be necessary than has been requisite with a duty of 1s. per gallon, and I would remind the Committee that we have not heard of any substantial frauds. I cannot see at present how the degree of supervision is affected by the alteration in method. If it be not affected, then it is clear that the departmental minute is entirely irrelevant to the proposed alteration. In that case, we have to turn to the point raised by the honorable and learned member for Bendigo that, under the Government proposal, wine makers on a large scale will be able to obtain spirit for

fortifying at a less rate per gallon than will those carrying on business on a small scale. We desire that our small manufacturers shall grow into large manufacturers rather than that the large manufacturers should expand their operations at the expense of those in a smaller way of business. Consequently, unless there is some very substantial difference in the degree of supervision required under the two systems, I trust that the Government will adopt the recommendation of the Tariff Commission. After all, the departmental minute has probably emanated from one officer, and it seems to me that it has nothing to do with the case since, under either proposal, there must be supervision.

Mr. SALMON (Laanecoorie) [5.28].—I am prepared to leave this matter in the hands of the Prime Minister, since I feel sure that, upon investigation, he will find it necessary to have a fixed rate of duty. As has been pointed out, supervision is necessary in any case, and it is not reasonable that the vigneron who uses a very large quantity of spirit for fortifying wine should obtain it at a lower rate than the man whose output is not on such a large scale. Another point for consideration relates to the quality of spirit used for fortifying purposes. We should pass a provision that will enable consumers to be assured that the spirit used for fortifying Australian wines is up to the standard.

Mr. DEAKIN.—That is proposed to be dealt with by regulation.

Sir JOHN QUICK.—And it is already provided for under the Distillation Act.

Mr. SALMON.—That being so, it will be necessary to have complete supervision, and that supervision should be paid for by those who require it. The fairest course to pursue is to fix an all-round charge of so much per gallon, so that, instead of the spirit being cleared free, it will bear a duty to cover the cost of supervision.

Sir JOHN QUICK (Bendigo) [5.29].—I trust that the Prime Minister will agree to at once make the necessary alteration in the motion. I do not wish to take action, but the time has arrived when we should finally decide this question. I fail to see why we should not settle it now once and for all. It seems to be highly improper that a question of this kind should be dealt with by regulation. I urge the Prime Minister to move that spirit for fortifying Australian wine should be subject to an Excise duty of 6d. per gallon.

Not a member of the Committee approves of the alteration. A charge of 6d. a gallon was suggested by every official whose evidence was taken in the six States, and no doubt the present proposal has come from some one in the central office.

Mr. FISHER.—It is the Minister's proposal.

Sir JOHN QUICK.—It is based on the Departmental memorandum which has been read. If the Prime Minister does not take action in this matter, I shall.

Mr. DEAKIN (Ballarat—Minister of External Affairs) [5.31].—The Tariff Commission recommend in their report—

That upon the export of Australian wines a drawback of duty paid on any Australian spirit used for fortifying such wines shall be allowed under Excise supervision.

Sir JOHN QUICK.—The revenue must be collected before the drawback can be given.

Mr. DEAKIN.—But the recommendation is that the allowance on the spirit used in fortifying wines is to be measured at the time of export.

Mr. DUGALD THOMSON.—The question is whether a differential rate, or a uniform rate which will cover the cost of supervision, shall be charged to the growers.

Mr. ISAACS.—The charging of a uniform rate of 6d. per gallon was not the sole recommendation of the Tariff Commission.

Mr. DEAKIN.—Though there is a good deal to be said in regard to the drawback recommendation, I understand that the Chairman of the Tariff Commission does not wish to deal with it now.

Sir JOHN QUICK.—That recommendation will have to be dealt with in a separate Bill.

Mr. DEAKIN.—The full recommendation of the Commission is—

That the Excise duty on spirit for fortifying Australian wine be reduced from 1s. to 6d. per proof gallon.

That Australian wines may, under Excise supervision, be fortified up to the strength of 40 per cent.

That upon the export of Australian wines a drawback of duty paid on any Australian spirit used for fortifying such wines shall be allowed under Excise supervision.

Mr. SALMON.—If the spirit is allowed to be used free of Excise, there can be no drawback.

Mr. DEAKIN.—That is so. I am impressed by what the Chairman of the Tariff Commission has said, and shall make inquiry into the matter. We shall be considering the Bill within a few days, and I

shall then be able to make a proposal for any variation that may be considered desirable.

Mr. FISHER (Wide Bay) [5.34].—Apparently, the Committee are of opinion that an Excise duty of 6d. should be charged.

Mr. McLEAN.—A uniform duty of 6d. The proposal is to make a differential charge.

Mr. FISHER.—I do not know why Ministers cannot make up their minds on the point. This is the time to do so.

Mr. JOSEPH COOK.—The matter cannot be dealt with in connexion with the Bill. It will be necessary to go into Committee of Ways and Means again.

Mr. FISHER.—The Committee cannot wait merely because a particular Minister is absent.

Mr. DEAKIN (Ballarat—Minister of External Affairs) [5.35].—The absence of the Minister of Trade and Customs has nothing to do with the matter. I merely desire time to become better informed in regard to the whole question.

Mr. KELLY.—The Prime Minister cannot help it.

Mr. DEAKIN.—I can help it. I am rather inclined to abolish the charge for inspection altogether.

Mr. McLEAN.—Then the spirit might get into consumption.

Mr. FISHER.—It would be a very dangerous thing to do.

Sir JOHN QUICK.—The vigneronns do not ask for the abolition of the charge, and the Government would lose £6,000 a year in revenue if they abolished it.

Mr. DEAKIN.—I propose to inquire into the best means of meeting the difficulty. The Minister left, and has remained away, with my consent.

Mr. McCAY.—The Government should be in possession of the requisite information.

Mr. DEAKIN.—I thought at first that the report which I read was an ample reply to what has been said in regard to drawback, but the honorable and learned member for Bendigo has placed a new aspect upon the case.

Mr. KENNEDY (Moira) [5.36].—The claim of the vigneronns has been that the rate charged should be merely such as will cover the cost of supervision. When the matter was first raised, the right honorable member for Adelaide thought that nothing less than 1s. per gallon would do that, and consequently the rate was fixed at 1s.; but

it has since been found to be more than twice as much as is necessary. For some years, therefore, the vigneronns have been asking for a reduction, and when they interviewed the Minister in regard to the matter they received the promise that, when the Tariff was being reconsidered, regard would be paid to their representations. From their point of view, the recommendation of the Tariff Commission is a fair one. They do not look upon a charge of 6d. per gallon as excessive. I understand the proposal of the Government to be to abolish the Excise rate, and to make a special charge for supervision when dealing with spirit used for fortification.

Mr. SALMON.—A rate not to exceed 6d. per gallon.

Mr. KENNEDY. — As the honorable and learned member for Corinella has pointed out, the result would be that the small wine-maker would have to pay proportionately more than the larger man.

Mr. McCAY.—The charge would average more per gallon on his output.

Mr. KENNEDY.—Yes.

Mr. McCAY.—It might easily absorb the whole of his profits.

Mr. KENNEDY.—I do not know exactly what is in the mind of Ministers—whether they intend to apportion the charges amongst vigneronns in proportion to the quantity of wine fortified, or according to the time consumed by and the expense incidental to the visit of the supervising officers.

Mr. DUGALD THOMSON.—Either method is an unnecessarily complicated one.

Mr. KENNEDY.—I think that a fixed rate per gallon would be a simpler arrangement, and would not inflict hardship on the vigneronns. In New South Wales prior to Federation there was no charge for inspection.

Mr. DEAKIN.—I think that the fairest thing would be to charge the average cost, calculated on the quantity of spirit produced.

Mr. KENNEDY. — Fixing a rate per gallon?

Mr. DEAKIN.—Yes.

Mr. KENNEDY. — The Department ought to know, from the experience which it has gained during the last four or five years, what the cost of supervision is, and, in determining what rate should be fixed, should allow a margin for increase, remembering that the proportional cost of supervision will decrease as the output increases.

The best way will be to charge in proportion to the cost of supervision, so much per gallon—3d., 4d., or 6d.

Mr. DEAKIN.—I shall suggest that that proposal be inquired into.

Mr. McLEAN (Gippsland) [5.41]. — I hope that the Prime Minister will adopt the recommendation of the Tariff Commissioners, who went into this matter very carefully, as they did into other matters. We must all admit they they have done their work well and satisfactorily. No adequate reasons seem to me to have been given for departing from their recommendation. Apparently, the departure has been made merely to avoid adopting their recommendation. I do not know what has influenced the Department in making the suggestion.

Mr. FISHER.—It is the Ministerial proposal.

Mr. McLEAN.—I presume that the Minister adopted the advice of his Department, and if, in the absence of proper reasons to the contrary, we refuse to adopt the recommendation of the Tariff Commission, we shall be trifling with the matter. What is the good of appointing a Commission to thoroughly investigate the subject if we are to depart from its recommendations without any real reason being given? In my opinion, the departure proposed will make the charge proportionately greater for the small man than for the large man, because the cost of supervising a large output would be less per gallon than that of supervising a small output. I am sure that it is not desired by the Government to make the charge on the small man proportionately higher than that on the large man.

Mr. DEAKIN.—I hope that we shall be able to fix it at 6d., or something lower.

Mr. McLEAN.—I doubt if the supervision can be done for less than 6d. per gallon.

Mr. ISAACS.—If it can be done for less, why should we charge 6d.?

Mr. McLEAN.—The vigneronns do not ask for a smaller rate than 6d., and the Government gets revenue from the charge. It is not fair to ask the Committee to agree to something to which they are opposed, on the ground that some reason which is not now apparent may subsequently be found for the course suggested, it being promised that if a justification for it is not discovered, an alteration will be made.

Mr. McCAY.—We are being asked to agree to the Government proposal now, and Ministers are to find reasons afterwards.

Mr. DEAKIN (Ballarat—Minister of External Affairs) [5.45].—I shall have to ask the Committee to make an amendment in paragraph 3, since we have not raised the strength at which spirit shall be distilled from 35 to 45 per cent. overproof, as was intended. This is merely a verbal alteration, and, with the permission of the Committee, I will move—

That the figures "35," paragraph 3, be left out, with a view to insert in lieu thereof the figures "45."

Amendment agreed to.

Mr. DEAKIN (Ballarat—Minister of External Affairs) [5.46].—I move—

That after the word "free," paragraph 12, the words "and on and after 17th August, 1906, per proof gallon, 6d.," be inserted.

I propose that for the present, and if we can offer something more advantageous later I shall be glad to do so.

Amendment agreed to.

Question, as amended, resolved in the affirmative.

Mr. DEAKIN.—I should like to express my obligation to honorable members for the assistance they have given in dealing with this very complex question.

Progress reported.

BUDGET.

In Committee of Supply:

Debate resumed from 10th August (*vide* page 2715), on motion by Sir JOHN FORREST—

That the item, "President, £1,100," be agreed to.

Mr. SPENCE (Darling) [5.49].—Most honorable members who have spoken during this debate have congratulated the Treasurer upon the optimistic note that he has considered himself justified in sounding with regard to the public finances and the general prosperity of the country. I do not complain of the Treasurer's optimism, because, perhaps, it is rather a good thing to be sanguine than otherwise. The proposal to introduce the penny postage system, and to make a free gift of a large sum of money to a limited section of the community, is rather startling. I hardly think that, at the present stage of our history, we can afford to incur the loss of revenue that would be involved. I am rather surprised that the Treasurer did not go the whole hog, and propose to introduce free postage. It would have been a matter of only a few hundreds of thousands

of pounds, and it would have placed the citizens of the Commonwealth in a position of advantage over all the rest of the world. As a member of the Labour Party, I rejoice to notice that the Government are prepared to make a distinct step in the direction of Socialism by becoming national ship-owners. It is intended to embark upon the fishing industry by fitting out a trawler, with the object of ascertaining the extent of our fisheries. The idea is a very good one, and I am glad that the honorable member for Farramatta has so far divested himself of his old-time prejudices that he is able to express his approval of such an extremely socialistic enterprise. The honorable member, who is practically the leader of the Opposition in the House—there ought to be one leader of the party in the House and another outside of the House—seemed to be carried away by the optimism of the Treasurer. He said—

Looking at both sides of this Budget expenditure and revenue, it occurs to me that the revenues of the Commonwealth at the present moment furnish an unanswerable reply to the extreme protectionists of Australia on the one hand, and to the Socialists on the other.

At a later stage he remarked—

Listening to the recital of these interesting facts by the Treasurer, it would seem as though the blue skies of Australia laughed in derision at those who are making such a fuss about nothing to-day, and for purely political purposes.

It seems to me that when the public finances are flourishing, we are apt to lose sight of the fact that much distress and suffering may exist in the community. Sir Stafford Henry Northcote, in his *Twenty Years of Financial Policy*, says—

It is difficult to understand how, in a system like our own, great financial prosperity can co-exist with national distress, and it may safely be affirmed that such a conjunction for any length of time is impossible. Yet the speech of Sir Charles Wood in opening the Budget of 1847-8 presents a contrast of this description, which is well worth the while of every statesman to examine.

I mention that because I wish to direct the attention of honorable members to some of the conditions which exist amongst us to-day, and which present a vivid contrast to the buoyancy of the revenue. In Great Britain, at the time referred to by Sir Stafford Northcote, the famine in Ireland was then causing very great distress, whilst the revenue was never more buoyant. The Treasurer was able to present to us some evidences of the prosperity of the general

community, and, almost at the same moment that he was speaking, representations were being made by members of the Victorian Parliament with regard to the existence of dire distress amongst certain sections of the community in Melbourne. It was stated, upon the authority of the Unemployed Committee, that 140 houses situated in one block in Collingwood, contained twenty-six adult males, or 19 per cent. of the whole of the adult male residents in that area, who could not find employment. It was said that the same percentage of unemployed was to be found in the greater portion of the city of Collingwood, and that men had in many cases been idle for seven months out of the twelve. In Carlton, 314 houses were visited, and 73 adult males, or 24 per cent. of the workmen residing in the tenements in question, were found to be out of work. In Fitzroy, from 18 per cent. to 24 per cent. of the adult males were unable to find employment, and one out of every four of the working men in North Melbourne were out of work. Mr. Watt, a member of the Victorian Assembly, spoke of cases of which he had personal knowledge, in which one family of seven and another of three, had nothing to eat from 1 o'clock on Saturday afternoon until Monday morning. Therefore, in this great city, much distress exists, and it is gratifying to notice that the State Government propose to spend £250,000 upon public works with a view to affording some relief. In Sydney, a Committee appointed by the Trade and Labour Council have been making very careful investigations, and have summarized the results of their inquiries. They say—

The evidence brought forward most unmistakably shows that sweating of a pronounced character obtains in this city in factories, warehouses, fashionable millinery and drapery establishments, other shops of less pretensions, high-priced luncheon and tea rooms and similar resorts largely frequented by the moneyed and leisured classes, hotels and restaurants, laundries, and even in large mercantile and banking institutions.

We regret also that the Government service, which should be an example to the community, is not wholly free from blame in this regard, as it is within our knowledge that faithful employes of long service, entitled by merit to promotion, have had to stand aside in order to make room for those able to manipulate influence, and this in view of the fact that the Public Service Board was especially appointed to deal with all promotions on lines of justice and equity.

Beyond the confines of the city our search extended, and disclosed heartless conditions in connexion with the dairying industry, where

shamefully long hours of labour are required with a pittance that only in derision can be called wages. Soap and candle works and boiling-down establishments loudly proclaim the presence of the sweater. Jam, biscuit, lolly, and pickle factories are dens under his direction; and in the fruit-canning industry, the waggon from the chemical works—another underpaid concern—deposits in the early morning its load of drugs for purposes not disclosed. Potteries and kindred industries claim their toll; and though but a little distance penetrated, your Committee is appalled at the deep-dyed sweating that flourishes in various abhorrent forms and at the grinding savagery rampant in our midst.

Many of the cases investigated by the Committee, especially those instances in which children are the victimized slaves, disclose such a hideous system of brutality as to almost justify a denial of our boasted civilization, while the term Christian applied to a city where employers thrive on downright slave-dealing is an awful misnomer.

They go on to speak of the slavery and degradation that exist in the city. I think that if we can do anything in the direction of affording profitable employment for the labour that is now idle, we shall be taking an important step in advance. The late Mr. Seddon estimated the value of the work of an adult male at £300 per annum. One of the greatest authorities in the United States upon physical economics, Dr. Hope, recently made an interesting statement before the American Medical Association. He was striving to arrive at the economic value of a human being, and in this connexion he said that, upon a 3½ per cent. discount basis, at ten years of age a boy was worth £529, at fifteen years of age he was worth £852, and at twenty-five years of age he was worth £1,087. From whatever stand-point we regard this matter we must recognise that it does not pay any country to have its population idle. The *Age* newspaper of 7th instant contained a paragraph which commented upon the terrible condition of the women workers of London. It stated that these women were being worked excessively long hours, and under very bad conditions, for the munificent wage of one penny per hour. The same issue of that journal contained a report of a deputation of employers which waited upon the Chief Secretary of South Australia, whose members were only willing to pay a wage of a penny per hour to our Australian girls. Surely we ought to be ashamed to countenance in the Commonwealth a condition of affairs which we so strongly denounce in the old country. One of the signs of the times, perhaps, is

the statement by Mr. Swinburne, the Minister of Water Supply and Agriculture in Victoria, who says—

If a man is willing to work, and cannot find employment, then the State should either have to find him work, or give him sufficient money to enable his wife and children to live. That sounds like revolution, I know, but if you think it out carefully I would like to know what Christian argument you can bring against it.

I think that statement is worth recording, because it constitutes such a radical departure from the attitude which is usually taken up by politicians, who decline to accept responsibility for conditions which everybody must deplore. The cure for this state of things is, perhaps, not easy to find. In Australia there ought to be avenues in which every person who honestly desires it can obtain employment. Some of the remedies which have been suggested are, to my mind, extremely amusing. I admit that some good will probably result from preaching the doctrine which is being advocated during the luncheon hour at establishments all round Melbourne by worthy gentlemen who urge that Australians should be sufficiently patriotic to support local industries. But in this connexion I was somewhat amused to read a newspaper report of an address which was delivered by Mr. Charles Atkins, who, I believe, is an aspirant for Federal Parliamentary honours. That gentleman visited the Scotch College, and, after telling the boys that they should try to out-British the British in their patriotism, he said—

Their patriotism should, however, also have a practical, as well as a sentimental, side, and they should create as much work as possible by increasing the consumption of goods manufactured in Australia. His coat was made in Hobart, his suit in Geelong, his boots in King-street, his socks—(laughter)—in South Yarra, and his hat in Collingwood—(loud laughter). It had been said that local goods were poor in quality, but by increasing the consuming they would not only improve the quality, but also cheapen the price. He wanted them to believe in Australia, for as soon as they began to travel, the need would quickly come home to them, and they should not be afraid to do a little bit of "skitting." For instance, they might tell people that the annual amount of production in Australia reached to £121,000,000, which indeed was something to boast of. He was sure every boy in the College was ready to do something for his country.

I repeat that I was rather amused when I read that report, because I recollected that I had seen certain bill-heads, which announced that the firm of Charles Atkins

Mr. Spence.

and Company were sole agents for the Standard Varnish, New York, for the Heath and Milligan Company's Paints, Chicago, for H. Rosenthal and Brothers' brushware, New York, and the Water Paint Company of America, New York. It seems to me that if we could extend the boycott which Mr. Atkins desires to put into operation against all the imported articles which I have enumerated, conditions would be very much improved. In my opinion the real question which we have to face is that of immigration. It is a perfect farce to talk about inviting persons to settle in Australia when conditions exist such as those to which I have alluded. Upon the subject of immigration I would remind the Prime Minister that Mr. Coghlan recently made a report to the New South Wales Government which contains some very interesting statements. At the present time that State is paying 6s. per head for the privilege of securing from the old country single young men who come there chiefly with a view to obtain work upon farms. I maintain that we already have quite sufficient men of that class who are in receipt of starvation wages. Mr. Coghlan points out that the agents of the shipping companies in the old country receive £1 per head from the Canadian Government for the immigrants whom they induce to settle in the Dominion. The shipping companies which are interested in the Australian trade are giving their agents 14s. per head for the immigrants whom they induce to settle in New South Wales, and the Government of that State are contributing the balance of 6s. per head. I have, no doubt, that the Treasurer observed in the *Age* of yesterday the following paragraph:—

The *New Zealand Times*, commenting on the immigration system initiated by the late Mr. Seddon, but since stopped, says:—"The scheme was condemned from the outset, yet each steamer brought its quota of men more or less unfit for pioneering work in virgin country. In winter time further men were sent out without a single penny. The Labour department had to supply the poor wretches with blankets as some sort of stay against the rigor of midwinter. The greatest mistake of all was sanctioning the immigration of penniless married couples with families of young children, all having been primed with an exactly reverse idea of the conditions they had to face. Five married couples, without a single shilling, and all with children, arrived the other day by the *Morayshire*, and were duly supplied with blankets and deported to Ohakune."

In the light of the foregoing statements, we require—in any expenditure that we may incur to advertise Australia—to make a radical departure from the methods which have hitherto been adopted. Personally, I do not see how we can do anything effective in that direction until we have appointed a High Commissioner. The class of immigrants whom we desire to attract are those who are possessed of capital, and who are willing to settle immediately upon the land. I believe that they should be able to select their holdings before they leave the old world. In this connexion we must recollect that every land-holder employs at least two, if not three men. The real problem that we have to face is very well stated in the 9th chapter of Sutherland's *History of Australia*. It is so complete that I think it is worth putting upon our official records. The writer says—

In 1829 a small book was published in London which attracted a great deal of attention, not only by reason of its manner, but also on account of the complete originality of the ideas it contained. It purported to be a letter written from Sydney, and described the annoyances to be endured by a man of taste and fortune, if he emigrated to Australia. He could have no intellectual society; he could not enjoy the pleasures of his library, or of his picture gallery; he could hope for none of the delights of easy retirement, seeing that he had to go forth on his land, and with his own hands labour for his daily food. For, said Mr. Wakefield, the author of this little book, you cannot long have free servants in this country; if a free man arrives in the colony, though he may for a short time work for you as a servant, yet he is sure to save a little money, and as land is here so excessively cheap he soon becomes a landed proprietor. He settles down on his farm, and though he may have a year or two of heavy toil, yet he is almost certain to become both happy and prosperous. Thus, the colony is an excellent place for a poor man, but it is a wretched abode for a man of means and culture. Wakefield, therefore, proposed to found in Australia another colony, which should be better adapted to those who had fortunes sufficient to maintain them, and yet desired to emigrate to a new country. His scheme for effecting this purpose was to charge a high price for the land, and so to prevent the poorer people from purchasing it; the money received from the sale of land he proposed to employ in bringing out young men and women as servants and farm labourers, for the service of the wealthier colonists. Now, said Wakefield, on account of the immense natural resources of these colonies, their splendid soil, their magnificent pasture lands, their vast wealth in minerals, and their widespread forests of valuable timber, which stands ready for the axe, a gentleman possessed of only £20,000 will obtain as large an income from it as could be procured from £100,000 in England; yet he will be able

to enjoy his learned and cultured leisure, just as he does at home, because all the work will be done for him by the servants he employs.

As a matter of fact, South Australia was first settled upon the conditions advocated by Mr. Wakefield as far back as 1829. The South Australian Association acted upon his suggestion, and at the outset sold land at not less than 12s. per acre, and subsequently at £1 per acre. The system adopted by all the States of selling at £1 per acre land worth, in some cases, £3 or £4 an acre, and in others only 15s. per acre, had its origin in Mr. Wakefield's suggestion. To-day the poor man cannot get on the land; the Crown lands of the States, and particularly of Victoria, have been so alienated that there is no opening for him. The honorable member for Grampians pointed out that he knew of men who, having only limited means, had gone on the land and done well. If we had cheap land available for settlement those having a knowledge of farming would be able, even if their means were limited, to make comfortable homes for themselves in the course of a few years. But the door has practically been closed to such men. In Victoria to-day only 13,828 acres of first class land remain unalienated. So far as this State is concerned, therefore, it would appear that the door has been closed to agricultural immigrants, unless we can find some means of placing them on the land. According to Mr. Coghlan, the value of property in New South Wales is £368,778,000. Nine hundred and eighty-seven persons, or companies, own 35 per cent. of this property; 2,086 own 45 per cent. of it; and 50 per cent. of it is held by some 3,000 persons, or companies. I have here some interesting figures, showing how, under the conditional purchase system, which was designed to allow the poor man to obtain land on easy terms, the number of large estates in New South Wales has increased. Since 1882, 44,352,613 acres of conditional purchase lands have been transferred, and only 18,481,880 acres have been applied for. At present, 22,830,261 acres in New South Wales are held by 722 persons, or companies, whose holdings average an area of 31,621 acres each, and the total area alienated comprises 48,081,314 acres. In South Australia, 304 persons, or companies, own 3,545,000 acres, whilst 1,269,704 acres are held by 30. The following table gives the names of the thirty largest land-owners in South Australia,

together with their area and the unimproved value of their holdings:—

Angas Estate	81,502	£200,238
W. J. T. Clarke	76,000	159,556
Canowie	68,450	139,700
Robertson	67,709	151,400
Dutton	66,000	132,862
Maslin	53,791	85,436
S.A. Company	52,579	262,400
University	53,228	36,000
J. J. Duncan	50,230	107,622
Willowie	49,799	88,000
Mortlock	49,536	56,642
McFarlane	43,996	76,862
T. R. Bowman	41,919	78,000
Smith (Hynam)	38,000	76,000
T. E. Barr Smith	36,000	62,000
Ellis (Benara)	35,000	81,000
Watson (Riddoch)	34,000	52,000
Queensland Land Coy.	33,000	31,000
Dutton and Melrose	33,000	75,000
A. S. Browne	33,000	83,000
Duffield Estate	32,000	56,000
James Melrose	31,000	27,000
Dickson	29,000	56,000
G. T. Melrose	28,000	47,000
K. D. Bowman	28,000	50,000
Lawson	26,000	42,000
C. H. Angas	25,345	47,498
L. G. Browne	23,731	74,178
A. G. Laidlaw	23,902	33,456
L. McBean	26,077	30,818

In many parts of South Australia one may travel all day by train without seeing more than a few individuals, the scanty population of many districts being due to the fact that the land has been alienated, and not put to proper use. One big land-owner in that State some time ago cut up a portion of his estate into orchard blocks, and the railway returns relating to that district—in which fruit is now being grown—are in striking contrast to those relating to the wool-growing districts. There is a large area of land in South Australia which ought to be available for settlement, and until it is thrown open it will be idle for us to talk of encouraging immigration.

Sir JOHN FORREST.—There is still plenty of room for immigrants in some of the States.

Mr. SPENCE.—There is plenty of land suitable for settlement in New South Wales, but, unless the land laws of that State be amended, it will not be available to those who desire to till the soil. The honorable member for New England is my authority for the statement that one man in that State, who has been in no less than eighty ballots, has not yet secured a block, whilst I recently read a paragraph in a Sydney newspaper to the effect that another man was able to rejoice that, after being in twenty-two ballots for a block of land,

he had at length been successful. One has as much chance of drawing a prize in one of Tattersall's sweeps as one has of being able to take up a block of land in New South Wales. I now come to the position of Victoria, which is one of the smallest, and yet perhaps one of the richest, States in the Commonwealth. Here 25,797,312 acres have been alienated, and there are 633 persons or companies holding areas over 5,000 acres in extent. Their holdings comprise a total of 11,707,492 acres. Twenty-three persons own estates of 50,000 acres and upwards, the average area of their holdings being 149,233 acres. Four thousand square miles in the Western District are held by sixty families, and on that large tract of country there are only 1,285 dwellings, and a population of 7,869. Railway lines 362 miles in length, and costing £3,753,000, have been constructed through land held by about forty persons. In the shires of Hampden and Mortlake twenty families own over 800,000 acres. They hold 16,337 acres of closed roads, and one-eighth of the alienated land of Victoria is held by 525 persons or companies. One million acres are held by eleven persons, whilst eighteen persons hold 1,240,000 acres. If this practice of acquiring large estates is to continue, Victoria will yet be owned by one individual. In these circumstances it is, to say the least, singular that any proposal calculated to break up large estates should be denounced as being little short of robbery. The total area of Victoria is only 56,245,760 acres, and, according to the latest returns, 25,797,312 acres have been alienated. About 8,000,000 acres have been reserved, something like 8,000,000 acres have been leased, and of the land available for selection only 13,828 acres may be described as first class.

Sitting suspended from 6.30 to 7.30 p.m.

Mr. SPENCE.—The amount realized by land sales in Victoria aggregates £30,627,053, an average of £1 8s. 3d. per acre. A great deal, however, was sold on long terms, and, according to the State Statistician, Mr. Drake, if 5 per cent. were allowed on deferred payments during a period of ten years, the average price of the land sold would be reduced to 15s. 6d. an acre, while if the period were increased to twenty years the price would be reduced to 12s. 8d. per

acre. These figures are of interest in view of what has been said about the big prices which have been paid for land in the past. In 1904-5 the Victorian land tax realized £97,840. The estates assessed numbered 1,262, and contained 7,039,132 acres, being valued at £10,356,984. It is generally agreed that the Victorian land tax is levied on a wrong basis. Areas of less than 640 acres are exempt from taxation, so that city property escapes scot free, while country land is divided into four classes. The land belonging to class 1, supposed to be capable of carrying two sheep to the acre, is valued at £4 an acre; that belonging to class 2, supposed to be able to carry 1½ sheep to the acre, is valued at £3 an acre; that belonging to class 3, supposed to be able to carry a sheep to the acre, is valued at £2 an acre; and that belonging to class 4, supposed to be able to carry less than a sheep to the acre, is valued at £1 to the acre. Those who know anything of grazing land know that this is not a fair way of estimating its value, and it is, moreover, notorious that the valuations have been made carelessly, and are unreliable. The tax is at the rate of 1½ per cent. on the capital value, and there is an exemption amounting to £2,500. Some of the estates which are taxed in this way have been sown with English grasses, and otherwise improved, so that the basis of taxation is inequitable, and no doubt it will soon be recognised that a fairer system must be adopted. In New South Wales the land tax is 1d. in the £1 on the unimproved value of taxable land. The value of the alienated land there is £129,178,000, but taxation is paid only on land valued at £76,800,000. The number of taxable landholders in the State is 178,000, and the various exemptions bring the number of those who are taxed down to 41,000. Those who have created such an alarm about the Labour Party's taxation proposals overlook the fact that a great many exemptions are allowed, apart from the exemption of £240 in capital value given in New South Wales. In Tasmania 46,655 estates are taxed. Of holdings between 5,000 and 15,000 acres there are 551, of the capital value of £4,502,056. There are 142 holdings of between 15,000 and 40,000 acres in area, having a capital value of over £1,000,000; there are twenty-two holdings of an area of between 40,000 and 80,000 acres, having a capital value of over

£1,000,000; and there are thirteen holdings exceeding an area of 80,000 acres, having a value of £1,585,430. The tax yields £46,000 per annum, the taxable value of the land upon which it is levied being £21,839,973. The Tasmanian land taxation, like the Victorian, is on an unfair basis, the tax being levied on the improved, instead of on the unimproved, value of the land. In the State there are only 728 properties of an area exceeding 5,000 acres, so that there are probably not 200 estates in Tasmania to which the Labour Party's taxation would apply. It is necessary, however, that these estates shall be broken up, if that beautiful little island is to make the progress to be expected from its resources and climate. In Victoria land is divided into urban and rural, and, although a valuation of £127,851,305 has been placed upon the private land of the State, if the New Zealand method of valuing were adopted that would be increased to £135,000,000. Mr. Coghlan has in the past referred to the unreliability of Victorian statistics, but I believe that the present Statistician, Mr. Drake, has greatly improved the methods in vogue here. The following table has been compiled by Mr. Nash, of the Sydney *Daily Telegraph*, a good financial authority, on statistics collected by Government Statisticians, and by Mr. Coghlan:—

	Land Alienated.	Value, exclusive of improvements.	Per acre.
	Acres.	£	£ s. d.
N.S.W. ...	48,851,524	156,417,000	2 15 10
Vic. ...	24,626,255	126,078,000	5 2 9
Qld. ...	16,901,127	41,800,000	2 8 8
S.A. ...	14,149,171	35,957,000	2 10 10
W.A. ...	10,548,087	11,095,000	1 2 9
Tas. ...	5,040,413	21,852,000	4 6 7
	120,106,547	373,679,000	3 2 3
N.Z. ...	23,857,633	87,576,000	3 13 5
Aust. ...	143,964,180	461,255,000	3 4 1

The figures just given have been made up to last year, and show existing values; but if New Zealand methods of valuing were adopted, the amounts would be largely increased. The value of the private land held in South Australia is over £35,000,000, while that held in Western Australia is worth over £11,000,000, and in Tasmania over £21,000,000. Victorian land is more valuable than any other. It

is valued at £5 2s. 9d. per acre, but its value would be greater if the New Zealand method of valuing were applied. The value of the Tasmanian alienated land has been estimated at £4 6s. 7d. per acre. I do not know quite upon what basis those figures have been arrived at, but I believe that the calculation has been made in accordance with an arrangement agreed upon among the Statisticians. The total alienated area in Australia is 120,106,547 acres, having a value of £373,679,000, or an average of £3 2s. 3d. per acre.

Mr. HENRY WILLIS.—That is a fairly good average price.

Mr. SPENCE.—Naturally the best land has been alienated. A committee of the Labour Party has given consideration to the question of imposing a progressive Commonwealth land tax. This action has been misunderstood and misrepresented in many quarters, but any suggestion put forward for remedying an admitted evil should receive fair criticism and examination. Some have said that the proposed tax would be too light, while others speak of its imposition as a confiscation of private estates. In dealing with the subject it must be remembered that in the large cities land has often been improved to its fullest capacity by the erection of buildings; and the object of the Labour Party, with which I think the people of the country are in sympathy, is to compel the owners of large estates to use them to their fullest capacity. We desire to break up the huge land monopolies which exist in the country districts. The Treasurer will find ultimately that direct taxation for Commonwealth purposes will be necessary.

Sir JOHN FORREST.—Direct taxation for revenue purposes would be different from what the Labour Party propose. It would not have any object but revenue.

Mr. SPENCE.—Our object is to cause the breaking up of large estates. In reply to those who say that the proposed tax is too small, I would point out that if it were increased it might press too hardly on the holders of city property which has been improved to its utmost.

Mr. DEAKIN.—The Premier of Western Australia deals with this question in a proposal which he has recently made.

Mr. SPENCE.—I have not seen it. The Constitution is opposed to differentiation in taxation, though, no doubt, the difficulties which have to be faced could be met by the introduction of a suitable

measure. It must not be forgotten, when an attempt is being made to estimate the probable effect of the proposals of the Labour Party in breaking up large estates, that there is already land taxation in several of the States. In South Australia a progressive land tax is in operation, and in Victoria a similar impost falls very heavily upon the big estates. We must, therefore, pay some regard to the taxation that is now levied by the States upon land. The proposals of the Labour Party are as follows:—

SUGGESTED TAX ON UNIMPROVED LAND VALUES.

Holding valued (exclusive of improvements) at under £5,000, exempt.

£5,001 to £10,000	...	...	0½d.
£10,001 to £15,000	...	...	1d.
£15,001 to £20,000	...	...	1½d.
£20,001 to £25,000	...	...	2d.
£25,001 to £30,000	...	...	2½d.
£30,001 to £40,000	...	...	3d.
£40,001 to £60,000	...	...	3½d.
£60,001 and over	...	...	4d.

Absentees to be charged one-half extra; mortgagees to pay in proportion to beneficial interests in taxable value; and land held primarily for religious or charitable purposes to be exempt.

Incidence of suggested tax on above basis:—

Estate of	£5,000 and under (unimproved value)	Nil		
10,000	...	10	8	4
15,000	...	31	5	0
20,000	...	62	10	0
25,000	...	104	3	4
30,000	...	156	5	0
35,000	...	218	15	0
40,000	...	281	5	0
50,000	...	427	1	8
60,000	...	572	18	4
70,000	...	730	11	8
80,000	...	906	5	0
90,000	...	1,072	18	4
100,000	...	1,239	11	8
150,000	...	2,072	18	4
200,000	...	2,906	5	0

It will be noted that the increasing rate provided in the Labour Party's scheme is not retrospective in the sense that the possessor of a large estate has to pay the highest tax on the whole of his valuation. The £5,000 exemption applies all through, so that a man with a £10,000 estate pays on £5,000 only. The graduation, too, is intended to work so that the highest rate only applies to the limit of the man's valuation and the next rate lower in the scale. Thus, the 4d. rate does not apply to the whole of the £60,000 valuation, but to the £10,000 between £50,000 and £60,000, the lower rates applying to the remaining £50,000 down to the £5,000 which is exempt.

It may be urged that the proposed tax upon properties about half-way down the scale would not be sufficiently heavy to effect the purpose in view; but, on the other hand, no one can say that the tax is an unreasonable one to impose. Since these proposals

were published, the Minister of Trade and Customs has compiled a comparative statement, which is described by the *Age* as follows:—

Sir William Lyne has been looking into the incidence of the Labour Party's scheme of Federal land taxation. The tax, as agreed to by the Federal Parliamentary caucus, gives an exemption to holdings of £5,000 in value, and then begins a scale which commences with an imposition of 0½d. in the pound on holdings between £5,000 and £10,000 in value, and ends with one of 4d. in the pound for holdings over £60,000 in value. In the light of his investigations, Sir William Lyne has formed the conclusion that if the existing land taxes in three States are abolished in favour of the Federal tax, land-owners whose holdings do not exceed in value £25,000 get actually relief instead of additional burdens. In Victoria holders of land worth £70,000 will, he finds, pay less under the proposed Federal tax than under the present State land tax.

In order to present the facts in a form which can be easily grasped, Sir William Lyne has had the following table prepared:—

Amount.	Federal.	N.S.W.	Victoria.	S.A.
£	£ s. d.	£ s. d.	£ s. d.	£ s. d.
5,000 and under	nil	19 16 8	31 5 0	10 8 4
10,000	10 8 4	40 13 4	93 15 0	31 5 0
15,000	31 5 0	61 10 0	156 5 0	52 1 8
20,000	62 10 0	82 6 8	218 15 0	72 18 4
25,000	104 3 4	103 3 4	281 5 0	93 15 0
30,000	156 5 0	124 0 0	343 15 0	114 11 8
35,000	218 15 0	144 16 8	406 5 0	135 8 4
40,000	281 5 0	165 13 4	468 15 0	156 5 0
50,000	427 1 8	207 6 8	593 15 0	197 18 4
60,000	572 18 4	249 0 0	718 15 0	239 11 8
70,000	739 11 8	290 13 4	843 15 0	281 5 0
80,000	906 5 0	332 6 8	968 15 0	322 18 4
90,000	1,072 18 4	374 0 0	1,093 15 0	364 11 8
100,000	1,239 11 8	415 13 4	1,218 15 0	406 5 0
150,000	2,072 18 4	624 0 0	1,843 15 0	614 11 8
200,000	2,906 5 0	832 6 8	2,468 15 0	822 18 4

In New South Wales the rate is 1d. per £, and the exemption is £240; in Victoria the rate is £1 5s. per £100, and the exemption is £2,500; in South Australia the rate is 0½d. per £ up to £5,000, and an additional 0½d. for each £ over £5,000.

I do not know that the Minister of Trade and Customs is in favour of the abolition of the land taxes at present imposed by the States, and I do not see any reason why they should be done away with. The returns showing the amount raised by the various States by means of direct taxation indicate that the propertied classes are not by any means so heavily taxed as are the working classes. Last year New South Wales raised £332,570 by means of a land tax. South Australia, in 1904, derived £77,369 from the same source. Victoria, last year, received £97,840, and Tasmania £46,548. The total amount raised in the four States in which a land tax is levied was £544,287. Absentees draw £400,000

annually from Australia. If the States require revenue they should not abolish their land taxes because the wealthier classes are not contributing sufficiently to the revenue, particularly in view of the fact that the monopolization of land is increasing every year. I find that the total amount paid in all the States in the form of probate duties is £729,535; in stamp duties, £506,190; in land taxes, £556,942; and income taxes, £807,873. In Western Australia and Queensland the dividend taxes realize £214,524 per annum. Thus the total amount raised by direct taxation in the Commonwealth is £2,815,064. That is a very small amount in comparison with the revenue derived by indirect taxation. New South Wales has always had a very large income from land. A large area of the Crown lands are leased, and, although the rents have been reduced from time to time, the income from that source is still very considerable. In 1905, the receipts from Customs in New South Wales amounted to £2,395,735, and Excise duties realized £642,482, whilst £122,606 was derived from other duties. The stamp duties realized £473,283; the land tax, £332,530; and the income tax, £231,442. The total revenue from the sources mentioned was £4,148,025, and it will be seen that the Customs and Excise duties represented considerably more than half of the aggregate. I do not think that the proposal for the introduction of a graduated land tax has received fair criticism at the hands of those who profess to earnestly desire to deal with the problem that is now confronting us. I have already referred to the fact that, owing to the manner in which the land is held in large estates, no provision can at present be made for immigration. Our own people are not able to obtain the land they require, and it would be wicked and cruel to invite immigrants from the old country whilst land monopoly prevails to such an extent that no openings are presented for settlement. When the white man first came to Australia he found the land in the possession of coloured squatters, who did not trouble themselves about 3,000 guinea rams. Their stock consisted of kangaroos and opossums, and they were quite contented. The white men, however, told them that they were not making the best use of the land, and that they must clear out. If they did not hasten to make themselves scarce, they

sometimes received a dose of lead, which put them beyond all further trouble. I do not blame the early settlers for having taken possession of the country, but I maintain that present conditions are just one degree better than those which prevailed when the white man first came to Australia. We should tell those who are now content to devote land of a high-class character to the raising of sheep and cattle that they are not putting the land to the best use, and must make way for others who are prepared to do so. Some of those who now hold large estates took up the land in the first instance as a sort of gamble. They knew very well that as settlement increased, and public money was expended in opening up the country, their properties would increase in value, and they were content to play a waiting game. When land was purchased from the State, it was fully expected that it would be devoted to some useful purpose, and if we had had proper laws in the old days, the present trouble would not have arisen. We are spending large sums of money annually upon public works, and are thus increasing the value of the land, and we are entitled to see that facilities are offered for the settlement of an increasing population upon the soil. I do not wish to do any injustice to the present holders of large estates, but they must be made to realize the necessity of turning the land to better account. The alienation of land has proceeded in Victoria to such an extent that only a few thousand acres of first-class land now remain in the hands of the Government. It is imperative that we should face the financial problem without any undue delay. We shall have to make provision for the payment of old-age pensions, and to face the prospect of a diminishing revenue. If higher protective duties are imposed—and it cannot be denied that great dissatisfaction exists in connexion with the present Tariff, and that the majority of the electors are in favour of higher protective duties—we shall suffer a loss of revenue, and it seems to me that no fairer means could be devised of meeting the deficiency than that of taxing the land, and especially the big estates. The acting leader of the Opposition has denounced the land taxation proposals of the Labour Party as socialistic. He has gone further, and has designated them “class robbery,” though he has not told us why he so regards them. It seems to me that the party of which he is the

Mr. Spence.

acting leader is very much like the old aborigines who are described in an interesting little book by Jeannie Gunn. In speaking of the blacks upon the Roper River, where she lived, she says—

The wise old men who are supposed to know everything have a cunning little way of telling awful tales about debbil-debbils, so as to get the best things for themselves. For ages upon ages the old men have told the young men and lubras that they must not eat fat turkeys, or the tails of the kangaroo, or indeed any of the best things that they find when out hunting. If they do a terrible thing will happen, for a big hunting debbil-debbil will come on with a rush, and in a moment make them very old and weak. “Look at us,” cry the old rascals, “we eat these things, and behold we are weak old men, with no strength to fight an enemy.” This looks so true that nobody except the old men care about eating turkeys and kangaroo tails, and such things.

I think that our friends of the anti-Socialist Party have raised a similar bogey. They have merely resurrected the black-fellows’ “debbil-debbil.” In short, they wish to keep all the fat turkeys and the kangaroo tails for the members of their own class. There is no sense in the unsupported statement that a Federal progressive land tax would constitute “class robbery.” The honorable member for Parramatta has also urged that the tax can, and will, be evaded, so far as its bursting-up effect is concerned. Unfortunately, he has not told us how it will be evaded and why it will fail to accomplish its purpose. Fortunately, the leader of the party with which the honorable member is associated is in the habit of speaking in such a way that he generally supplies an answer to his own statements. For instance, quite recently the following declaration by him appeared in the newspapers:—

A progressive land tax for the bursting up of big estates is entirely beyond the provisions of the Federal Constitution.

Only two days later, namely, on the 2nd May, he is reported in the *Argus* to have said—

Mr. Deakin is quite correct in saying that direct taxation is within the provisions of the Constitution. I never said that it was not.

That is a nice little quibble.

Mr. JOSEPH COOK.—It is no quibble at all.

Mr. SPENCE.—It is a quibble which I venture to say the members of an average audience would not notice. The statement of the right honorable member for East

Sydney during the course of this debate reads—

In the first place, setting aside the policy which is in view, my deliberate opinion is that the project of making use of the powers of the Federal Parliament to impose direct taxation in order to burst up the big estates amounts to a deliberate outrage of the fundamental principles of the Federal Constitution.

That statement scarcely calls for a reply. Everybody is aware that in the preamble to our Acts of Parliament we do not use the form which was adopted in many of the old English statutes. We do not specify in our taxation Acts the particular purpose to which the money raised under them is to be devoted. It is admitted that the Commonwealth Parliament has power to impose direct taxation—

Mr. JOSEPH COOK.—For taxation purposes.

Mr. SPENCE.—The incidence of that taxation may be varied. For instance, in connexion with the sugar industry we deliberately differentiated between the product of white labour and that of black labour, in order to give effect to a policy which was unanimously indorsed by honorable members—the policy of a White Australia. Here we have in our midst an evil—that of land monopoly—which is even worse than was the coloured labour evil in Queensland. A proposal to levy a progressive land tax which in its incidence will strike at the big land-holders is no more unconstitutional than was our action in offering the Queensland sugar-planters a substantial rebate to encourage them to employ white labour in preference to kanaka labour. There is no doubt that we have power to impose such a tax. We are not bound to give our reasons for levying it, although we have openly stated what those reasons are.

Mr. JOSEPH COOK.—I am afraid that a cheap and easy way like that which the honorable member suggests will not settle the matter.

Mr. SPENCE.—If the party to which the honorable member belongs would only tackle the problem there would be some sense in their action.

Mr. JOSEPH COOK.—We say that it is a matter which should be left to the States to tackle.

Mr. SPENCE. — Does the honorable member imagine for a moment that the States can deal with it?

Mr. JOSEPH COOK.—I say that we cannot do so.

Mr. SPENCE. — Does the honorable member mean that we cannot impose taxation upon land values?

Mr. JOSEPH COOK.—I have never made such a statement.

Mr. SPENCE.—We merely propose to levy a tax upon land values.

Mr. JOSEPH COOK. — The honorable member has not stated the case at all. His party proposes to levy a tax, not upon land values, but upon some land values—upon some persons only.

Mr. SPENCE. — Does the honorable member assert that if we levy taxation upon land for revenue purposes, we have not power to exempt estates of a certain value?

Mr. JOSEPH COOK.—I do not assert that at all. I say that there is a fundamental distinction between taxation for purposes of revenue and taxation for purposes such as the honorable member has indicated.

Mr. SPENCE.—The honorable member answers himself in the good old “yes-no” way that is characteristic of his party. We propose to levy a progressive land tax which will fall more heavily upon the holders of large estates—

Mr. JOSEPH COOK. — The honorable member says that the tax is intended to burst up those estates.

Mr. SPENCE.—The only question which we have to consider is “How can we deal with land monopoly?” The Treasurer proposes to initiate a scheme of immigration; but I say that we ought not to sanction any such scheme whilst there are so many of our own people unemployed, because of the difficulty which they experience in securing land. I wish now to quote a statement which was made by the honorable member for North Sydney during the course of this debate. He is usually so well informed that I am surprised that he should have fallen into the error to which I am about to direct attention. He said—

What estates will the imposition of such a tax force from the hands of their present owners? Will it not be those estates which pay the least—estates such as exist in the western portions of New South Wales, and which give their owners very poor returns? The tax may be levied upon the value of the land during good seasons, and as the result of its operation during bad seasons, the holders of these lands may be compelled to sell. Of what use would such lands be for the purposes of closer settlement? It would be cruelty to put small settlers upon them. Whilst the proposed tax may make the better class of lands groan under the burden, it will not dispossess their holders.

In order to show how utterly misleading his statement is, I have merely to mention that the western division of New South Wales embraces an area of 81,836,152 acres. It includes the township of Broken Hill, and a number of other large towns. Yet there is less than 2 per cent. of that area, or only 1,623,152 acres, alienated. Section 114 of the Constitution provides—

A State shall not, without the consent of the Parliament of the Commonwealth, raise or maintain any naval or military force, or impose any tax on property of any kind belonging to the Commonwealth; nor shall the Commonwealth impose any tax on property of any kind belonging to a State.

Consequently the Constitution renders it utterly impossible for a progressive Federal land tax to be imposed upon the landholders of the western district of New South Wales. I cannot understand how the honorable member for North Sydney fell into such an error. I thought that everybody knew that the country in question was all leased; that it is the property of the Government of New South Wales, and that consequently the Commonwealth cannot subject it to taxation. Not one area in the drier portions of New South Wales would come within the taxation proposals of the Labour Party. Our desire is that the tax shall be so adjusted that those to whom the honorable member for North Sydney referred will be absolutely exempt.

Mr. GLYNN.—The Constitution does not exempt from taxation the tenant right.

Mr. SPENCE.—I have taken the trouble to refer to Quick and Garran's *Annotated Constitution*, in order to ascertain our position in this regard. If honorable members turn to that work they will find that lands in possession of the Crown cannot be taxed.

Mr. GLYNN.—I think that it is only the reversion to the Crown, and not the tenant right, that cannot be taxed.

Mr. SPENCE.—In the drier districts to which the honorable member for North Sydney referred, nearly all the holdings are under the value of £5,000.

Mr. JOSEPH COOK.—Was not the argument of the honorable member for North Sydney that the tax proposed by the Labour Party would lead to poor land being rushed into the market, and would not open up the good lands?

Mr. SPENCE.—I trust that honorable members will not accept the construction placed by the honorable member for Paramatta upon the quotation which I have made.

Mr. JOSEPH COOK.—I say that the reference to the lands in question was made only by way of illustration.

Mr. SPENCE.—The honorable member for North Sydney referred specially to the dry areas of New South Wales. Those are not to be found along the coast-line, and every one thoroughly understood what the honorable member meant to convey.

Mr. JOSEPH COOK.—The illustration may have been a mistaken one, but it does not affect his argument.

Mr. SPENCE.—The statement was deliberately made by the honorable member for North Sydney. I was surprised to hear him make it, since he has the reputation of being a man who is not given to rash assertions. I have no desire to misrepresent the honorable member. I have been endeavouring throughout my speech to deal with this question fairly and seriously, and not to indulge in carping criticism.

Mr. JOSEPH COOK.—I am not suggesting that the honorable member has misquoted the honorable member for North Sydney. I am simply pointing out that the remarks in question were made only by way of illustration.

Mr. SPENCE.—Lands in the district to which the honorable member referred would not be subject to the proposed tax. Those who seek to make out that we wish to leave "the fat turkey and kangaroo tails" intact, and that our desire is simply to crush the poor man, are playing a very pretty game. As a matter of fact, many of the officers of farmers' unions in many districts—and particularly in the south-eastern part of South Australia—are squatters; owners of large holdings have squeezed the small men out of office, and at the last conference of these organizations it was decided to take political action. The honorable member for North Sydney is their mouthpiece in this Chamber. These men are fighting, not for the interests of the small farmer, but for themselves. They have, so to speak, "nobbled" many of the farmers' organizations.

Mr. KENNEDY.—It rarely happens that the views of the small farmer are voiced by such organizations.

Mr. SPENCE.—That is so. If honorable members doubt my statement that in many cases squatters hold offices in these unions, I shall be prepared to give the names of some of these gentlemen, together with the areas they hold. I am

not suggesting that every branch of the farmers' unions is conducted on these lines. The branches in my district have been careful to exclude the big man whom they have had to fight from the outset; but owners of large areas have taken possession of the central organization, and it suits them to raise this bogey.

Mr. JOSEPH COOK.—On referring to *Hansard*, I find that the honorable member for North Sydney simply made the statement in question by way of illustration. Even if that illustration be wrong, it does not affect the point that he was seeking to emphasize.

Mr. SPENCE.—I recognise that the deputy leader of the Opposition, as a good fighter, is always ready to support those associated with him. I am prepared to leave it to honorable members to read the *Hansard* report of the speech in question.

Mr. JOSEPH COOK.—I shall read it to the Committee when the honorable member resumes his seat.

Mr. SPENCE.—I have not misquoted the honorable member.

Mr. JOSEPH COOK.—I do not say that the honorable member has done so; I complain of the use to which he has put the quotation.

Mr. SPENCE.—If the quotation which I have made from the speech made by the honorable member for North Sydney were circulated among the farmers, it would give rise to misapprehension. I was one of those who assisted in passing the law under which the owners of holdings in the western division are now living, and which has had the effect of reducing their rents. I should not be a party to any proposal that would press harshly on any one—that would press harshly on the holder of either a big or a small area. I object, however, to the suggestion that the owners of holdings in the dry districts of New South Wales are likely to suffer under the proposed tax. I propose now to read an extract from a speech delivered in the Sydney School of Arts by the honorable member for New England, and published in the *Daily Telegraph*. The report sets forth that—

Mr. Lonsdale maintained that private property in land was an injustice. The State had no right to give land to any private person; and where people were driven off the land—as some were being driven off it to-day in some countries—there would be nothing wrong in these men, to save their lives, forcibly taking possession of that which was their own.

That remark was applauded—

Right land legislation, whilst it would not entirely remove poverty, would give the bulk of the people a great many more comforts than they now enjoyed. There were vast areas in this State which ought to be occupied. If this land were free for the people, they would not see the distress which existed to-day; but the purchase of land by the State was a silly policy.

This shows that the Opposition are not unanimous. Had a member of the Labour Party made the assertion that forcible possession should be taken of the land, there would have been a howl of indignation. Newspapers would have dealt with it in leading articles, and, doubtless, the honorable member for Parramatta would have denounced the use of such strong language. But, because the statement was made by a member of the Opposition, nothing has been said about it. I am not suggesting that the honorable member was not justified in making the statement.

Mr. McWILLIAMS.—Does the honorable member object to the statement?

Mr. SPENCE.—I am simply quoting a member of the Opposition, who said that the resumption of land is a silly policy. His leader—the right honorable member for East Sydney—when dealing with the Budget last week, said—

So far from having any conservative view on this subject, I hold that Australia will never be anything like a country fit to develop on broad national lines until its enormous estates are broken up.

That is a definite statement made by the leader of a great party which hopes to be in power next session.

Mr. McWILLIAMS.—Does the honorable member object to it?

Mr. SPENCE.—It is a statement that one would expect from the right honorable member for East Sydney when he allows his democratic feelings to take possession of him. The statement is a most important one, and I desire to emphasize it. I have shown that the number of large estates is increasing, and the right honorable member for East Sydney agrees that there can be no true development of Australia until those estates are broken up. His remedy—and, I presume, the remedy of his party—for this state of affairs is as follows:—

There is a very simple method of dealing with this problem. All that is necessary is to resume the land for the purpose of closer settlement, and to pay its honest value. That is a simple method which will solve all difficulties in regard to the large estates.

On the one hand, therefore, we have the leader of the Opposition declaring that we should break up the large estates by resuming them and paying their honest value, whilst, on the other hand, we have the honorable member for New England declaring that such a policy is a silly one. I do not know whether the Opposition have dealt with this question in caucus.

Mr. CHANTER.—The honorable member for New England is a single-taxer.

Mr. SPENCE.—We do not know what are the views of some honorable members of the Opposition. The cry that the Labour Party are seeking to confiscate the lands of the people has not been raised of late so frequently as it was a few months ago. The right honorable member for East Sydney does not appear to consider that the proposed land tax would have the effect of bursting up large estates to any serious extent, and, apparently, the honorable member for Parramatta shares that view. The question of whether or not the tax is sufficiently high is certainly a debatable one. It has been said that it is a socialistic proposal, amounting to confiscation. Those who make that assertion do not appear to recognise that the forcible resumption of land is really confiscation. Our proposal is designed simply to induce owners of large estates to put them to the best use. At the present time land, which should be cultivated, is being devoted to grazing purposes. How are we to compel owners of large estates to put them to their proper use, unless we tax them? It is true that some land-owners have cut up their estates, and the *Argus* recently published a list of large estates that had been so subdivided. Those who say that the proposal of the Labour Party to impose land taxation is a policy of confiscation, do not object to Crown resumptions under which the owners of land receive for it, not the value which they have given to it by their personal exertions, but that which has been given to it by the expenditure of the State on public works and improvements. Will any one say that the block of land which was originally bought in Melbourne for £3,600, and was afterwards valued at several millions, owed its increase in value to anything done by its owners? The added value was due to the growth of the community and to the improvement of the city at the public expense. It seems to me strange logic to talk about our land

tax proposals as confiscation, and not to regard it as confiscation to pay to private individuals values due to public expenditure.

Mr. GLYNN.—Under the proposals of the Labour Party a great deal of land will escape taxation.

Mr. SPENCE.—Does the honorable and learned member object to the progressive principle?

Mr. GLYNN.—I prefer all round taxation.

Mr. SPENCE.—I know that those of the single tax school are opposed to exemptions.

Mr. JOSEPH COOK.—Under the proposals of the Labour Party would a farm worth £100,000 be exempted from taxation, if the owner were cultivating it to the utmost?

Mr. SPENCE.—It would be taxed only on its unimproved value; there would be no tax on improvements. I am trying to emphasize the want of logic displayed by those who term it confiscation to tax the unimproved value of land for the development of the country, but do not term it confiscation to pay away to private individuals unearned increment due to public expenditure. The single taxers believe in taking away the whole of the unearned increment, and spending it for the benefit of the community, but the proposals of the Labour Party do not go so far as that. The increase in the value of private land by public expenditure has been enormous. Probably the construction of railways has added at least £2 an acre to most of our land. Many honorable members, however, say that that increase in value should go wholly to the holders of the land. No one wishes to act unfairly to those who are now in possession of the land, and there must, of course, be exemptions to meet special cases; but it cannot be denied that the bursting up of the large landed estates is very much to be desired, because the presence of starving poor in the country is due mainly to land monopoly. The right honorable member for East Sydney is in favour of compulsory resumption. He would take from the big land monopolists their land, but would pay for it at the value which it has acquired through the construction of railways, and the expenditure of public money in other improvements. That, in my opinion, is equivalent to confiscating public property. If land is resumed by the

State at enormous prices, those amongst whom it is divided must be unfairly handicapped for all time to come, because it is proposed that the State shall get a return upon its expenditure in this direction.

Mr. JOSEPH COOK.—The honorable member is using the word confiscation very loosely.

Mr. SPENCE.—The members of the Opposition use it very loosely when they apply it to a proposal for land taxation, and do not apply it to a proposal for resumption on the terms to which I have referred. We do not propose that the Commonwealth shall take possession of the privately held land, and lease it out to farmers. We simply say that it should be taxed so as to make it unprofitable to hold it without putting it to proper use.

Mr. HUTCHISON.—If the proposed land tax is confiscation, so is all taxation.

Mr. SPENCE.—Yes. Reference has been made to New Zealand. There they have a very good progressive tax. Under the New Zealand system the land-holders declare the value of their holdings, and if their valuation is thought to be too low, the Government has a right to resume at the prices stated.

Mr. HUTCHISON.—No; the land-holders get something over and above those prices.

Mr. JOSEPH COOK.—Still, after fifteen years of this legislation, 500 persons own most of the land in New Zealand.

Mr. SPENCE.—While New Zealand has many natural advantages, it has progressed in spite of many disadvantages. Its progress since the late Mr. Seddon came into office has been very great, as will be seen by comparing its present condition with its condition when Sir Julius Vogel's borrowing policy came to an end. Thousands of families there are now settled on what were once mere sheep runs. The best estates in Victoria and in New South Wales are not being properly used, because the owners, being well off, are content to make an easy living by producing wool, which is one of the most profitable of industries. Land which is suitable for agriculture is not now even stocked to its full carrying capacity. It is a blackfellow's policy to say that nothing should be done to put an end to this state of things. The right honorable member for East Sydney has said that we should leave the taxation of land to the States. No doubt he expressed the views of his party, and certainly of such sup-

porters as the Federated Employers' Union, whose members, on the motion of a big squatter, carried a resolution against the proposed tax. Is it likely that land taxation of the kind we propose will be carried in any of the States, having regard to the constitution of their second Chambers? Do we not know what has happened in New South Wales? There, when the right honorable member for East Sydney first proposed his land tax of a rd. in the £, the Upper House threw it out, without consideration, by a majority of forty-one to four. But, although the right honorable member had been only twelve months in office, he at once appealed to the country, and was thus able to force the proposal through.

Mr. KELLY.—Does the honorable member urge this as a justification for removing the control of land from the States to the Commonwealth?

Mr. SPENCE.—No one has suggested the transfer of control. The honorable member asks that question in order to frighten people. The second Chambers of the States Parliaments are constituted largely of land-holders, and will always oppose legislation likely to interfere with their class interests. Therefore, when the right honorable member for East Sydney and his followers say that this is a matter which should be left to the States, we are justified in accusing them of deliberately attempting to prevent the bursting up of large estates. The position would be different if it were likely that the Parliaments of the States would impose land taxation with that object. But only recently, when communications were passing between the Prime Minister and the Premiers of the States with a view to making arrangements for the providing of land for immigrants, the Commonwealth authorities could get no satisfaction from the States authorities. Victoria possesses only 13,800 acres of first-class Crown land, South Australia has none, and that of New South Wales is so tied up that it cannot be utilized. In the last-named State some big estates have been recently resumed, and there are immigrants from England settled upon them.

Mr. HUTCHISON.—The honorable member for Parramatta was in 1895 desirous of bursting up the large estates.

Mr. KELLY.—He still is, but he wishes it to be done constitutionally.

Mr. JOSEPH COOK.—It is a slander to suggest that we do not desire that anything shall be done.

Mr. SPENCE.—If the matter is left to the States, nothing will be done. Here in Victoria the cry has been raised that the income tax should be reduced, although, as I have shown, the land taxation paid by the whole Commonwealth amounts to only a little over £500,000 per annum. The right honorable member for East Sydney justified his action in introducing a land taxation measure in New South Wales by stating that, in view of the great advantages they enjoyed, the wealthy classes did not pay a sufficient amount of taxation. He also mentioned other good reasons why a tax should be imposed upon landed property. When he was addressing the public in Sydney upon the subject of the proposed Commonwealth Constitution, he stated that if he entered the Federal Parliament he would adopt an attitude similar to that assumed by him in the State Legislature. He has not done so, but has been content to leave the whole question of land taxation practically untouched. It is absolute nonsense to talk about bringing immigrants to Australia until the present conditions with regard to land settlement are radically changed. I submit that a land tax will have to be imposed for revenue purposes, if with no other object in view. We cannot make provision for the payment of old-age pensions, nor can we carry out a proper protective policy, unless we raise revenue from other sources than Customs and Excise duties. It is our duty to lead the way for the States. When, in spite of the lengthy stone wall, we passed the Commerce Act some of the States adopted measures of a supplementary character, with a view to prevent the public from being imposed upon by manufacturers of unwholesome food preparations.

Mr. KELLY.—Will the honorable member answer me one question? The honorable member does not want to answer any questions.

Mr. SPENCE.—No, because the honorable member does not ask sensible questions. When any honorable member is talking seriously upon a subject that affects the lives and welfare of the masses, all the honorable member can do is laugh.

Mr. JOSEPH COOK.—The honorable member's speech is, a tissue of misrepresentations.

Mr. SPENCE.—I take that statement as a high compliment. I think that I am pretty safe when the honorable member is opposed to me. In dealing, to the limited extent that the Constitution permits us to do, with a number of matters which we have made the subject of legislation, we have set an example to the States, which has in many cases been followed with beneficial results to the general community. The States Parliaments, owing to the obstructive methods adopted by their Upper Houses, cannot deal effectively with large landed estates, and it is our clear duty, as a Parliament elected upon a thoroughly democratic basis, to take up this question, and impose taxation upon the land in such a way as to check monopoly and afford natural outlets for settlement. We should certainly take steps in this direction before we attempt to encourage immigration. Our own people ought to be our first consideration. Even if we impose a land tax, a great deal of work will still have to be done by the States before any general policy of land settlement can be entered upon. If we do not impose a tax upon land, with a view to affording better opportunities for settlement, and turning the soil to more profitable account, we shall be forced to adopt some such measure in order to obtain revenue, and the Government would do well to take up this subject and submit it to the country at the next elections. In view of the financial changes that will shortly take place, and of the increasing necessities of the Commonwealth, the Treasurer has not given that thought that he should have done to the question of land taxation. The best way in which we can meet the necessities of the case is by imposing a good rousing progressive land tax. If we impose a tax that is considered to be too high, the States can easily adjust their taxes accordingly. There is no difficulty in reducing taxation, but many obstacles are placed in the way of imposing taxation, or increasing it, particularly when it affects the pockets of land monopolists.

Mr. KELLY (Wentworth) [8.52].—The honorable member who has just resumed his seat seems to misapprehend my reason for the smile with which I greeted one of his statements. I was amused, not because the honorable member was dealing with a serious subject, but because he was

following the usual practice of addressing his constituents through the pages of *Hansard*, and declining to reply to reasonable questions, which it might be inconvenient to answer.

Mr. KNOX (Kooyong) [8.53].—I congratulate my honorable friend the Treasurer upon having been able to submit a Budget statement which indicates that the affairs of the Commonwealth are in a very satisfactory condition, and that the community, as a whole, is prosperous. I am sure that his statement will attract considerable attention, and that it will be read with interest by our friends and others abroad. I am sure that those who read the Treasurer's speech must wonder what kind of persons he was addressing, and whether they would be able to assimilate the whole of the voluminous but interesting information that his Budget contained. I do not propose at this stage to deal with matters which may, perhaps, be discussed with greater advantage when the Estimates are being considered in detail. I wish to address myself more particularly to the question of the transfer of the States debts. I trust that honorable members will read closely and carefully the admirable memorandum which has been prepared by Mr. T. A. Coghlan, the Agent-General for New South Wales. I have some knowledge of the methods adopted in financial circles in London, and I cannot conceive of any more complete and accurate description of such methods than that given by Mr. Coghlan. The reputation of Mr. Coghlan as a statistician must cause considerable weight to be attached to the conclusions at which he has arrived. He makes certain statements which should induce honorable members to seriously consider the whole situation. He says—

The Commonwealth will probably not be able at first to obtain money on better terms than the States could do for themselves.

He goes on to say—

Many sanguine forecasts have been made as to the monetary gain arising by the transfer of the State debts to the Commonwealth. It has been seriously contended that the rate of interest, 3.7 per cent., which our loans now average, can probably be reduced by the operation of consolidation and conversion to under 3 per cent. This is a hope impossible to realize, though, as already stated, we may look forward to a time (perhaps not far distant) when, the States and the Commonwealth working harmoniously for the good of the Australian people, and the unmistakable but unwarranted distrust

of Australia now existing in London being removed, the Commonwealth Government will be able to obtain for the renewal of loans falling due, terms so advantageous as will materially reduce the interest bill now to be paid.

An authoritative statement of that kind must receive our fullest consideration when we are dealing with proposals such as have recently been submitted to the House. It behoves us to ascertain, if possible, why the Commonwealth, which was founded under such happy auspices, should have drifted into its present unsatisfactory position. The explanation is not to be found in the state of our trade, or the condition of the community generally, because the Treasurer had the privilege of submitting one of the most satisfactory Budgets that has ever been presented to an Australian Parliament. Therefore, it is necessary for us to consider whether our legislation or the general trend of our politics is such as to account for the position which we occupy. Apart, however, from that consideration, there is in the document to which I refer informative matter which I venture, with becoming diffidence, but with all sincerity, to commend to the attention of every honorable member who has the slightest interest in the future of the Commonwealth. As honorable members are aware, several schemes have been submitted at various periods for taking over the States debts. When the right honorable member for Balaclava filled the office of Treasurer, he submitted to the Hobart Conference of Premiers most excellent representations regarding the difficulties which underlie the transfer of those debts. His successor, in presenting his Budget the other day, laid before honorable members recommendations which bear the specific *imprimatur* of Government approval. That is the first occasion upon which such proposals have come before us in an authoritative form. The honorable member for Mernda has also outlined a scheme for the consolidation of the States debts. I yield to nobody in my appreciation of that honorable member's capacity to deal with that subject. But I have given very close consideration to his recommendations, and I regret to say that I find myself unable to agree with many of them. He has looked far into the future, and it may possibly be that twenty-five years hence we should be in a favorable position to investigate his proposals. His scheme is an elaborate and complete one, and constitutes

an attempt to secure finality so far as the redemption of the States' indebtedness is concerned. But I venture to say that his recommendations are not such as the individual States can accept at the present juncture. I think, further, that he has strained a very important section of the Constitution when he suggests that the Commonwealth should render financial assistance to the States in this connexion. It was never intended by the framers of our Constitution that any State should receive from the Commonwealth such a large sum as the honorable member suggests. On the contrary, I hold that section 96 of our Constitution, which provides that financial assistance may be rendered by the Commonwealth to the States, relates only to temporary assistance. Certainly, such assistance was never contemplated in connexion with the States' indebtedness. In short, the scheme of the honorable member—if effect were given to it—would result in a unification.

Mr. HARPER.—Does the honorable member mean a unification of the States or of their debts?

Mr. KNOX.—I mean a unification of the States and their financial interests. His scheme would not permit of the continued existence of the States as separate entities. I hold that we shall be acting unwisely if we take any step which is calculated to destroy the individuality of the various States.

Mr. HARPER.—I quite agree with the honorable member.

Mr. KNOX.—The more I read the proposals of the honorable member, the more I am convinced that to give effect to them would mean merging the Federation into a unification. There is just one other matter to which the honorable member referred to which I wish to address myself. I refer to the appointment of States Debts Commissioners. In common with many other honorable members, I regret that he did not even acknowledge the fact that two years ago, and again last year, honorable members were called upon to consider a proposal which I had the honour to submit relating to the establishment of a Council of Finance.

Mr. HARPER.—That was for a totally different purpose.

Mr. KNOX.—I think not. Personally, I am indifferent as to the source from which the proposal may emanate, but I am satisfied that, until effect is given to some such arrangement as I have suggested, we cannot satisfactorily carry out any scheme for the transfer of the States debts. I do not think the honorable member for Mernda has attached sufficient weight to the fact that, so far as the responsibilities of the States to the Commonwealth are concerned, we are now passing through a transition stage. We have to recognise that during the next fifteen years a great change will probably take place in our population. If present conditions were to continue, the outlook would be a bad one indeed for the whole of the Commonwealth. We can only hope for an expansion of our population, which will entirely change our present view of the situation. I regard the scheme submitted by the Treasurer as a more practical one than that which has been presented by the honorable member for Mernda, and I think that it is likely to meet with a more ready acceptance by the States. It has always been my desire that we should adopt a system that would induce the States and the Commonwealth to work harmoniously together, and I feel that we shall never succeed in solving this problem until we are able, as it were, to carry the States with us. We shall do injury to our people if we refrain from taking action until the end of the Braddon period, and then endeavour to use what may be regarded as a coercive lever to induce the States to fall into line with us. We should clearly and definitely indicate that, as a Parliament, we feel that we have no right to take any step that would be subversive of the claims of the various States. I am sure that the electors would indorse such an attitude. I had intended to deal at some length with the proposals submitted by the Treasurer, the honorable member for Mernda, and the honorable member for North Sydney, but I feel much more at home when discussing the details of such a question as this at a round table than I do when addressing myself to it in general terms in Committee. The honorable member for North Sydney has submitted what is practically a modification of the scheme propounded by the honorable member for Mernda. His proposition appears to me to be a most liberal one, and indicates that the honorable member, who

is always careful to master the facts of any matter with which he deals, has secured a complete grip of the position. Suggestions have been made by the Treasurer and his predecessor—the right honorable member for Balaclava—as well as by the honorable member for Mernda and the honorable member for North Sydney, which I feel could be so welded together as to produce a scheme satisfactory alike to the States and to the Commonwealth. I have no desire to detain the Committee by dealing at length with the excellent statement prepared by the honorable member for North Sydney, but, speaking generally, I think that we shall fail in our efforts to solve the problem of the transfer of the States debts unless we take the whole of them over at one operation. If we deal with them in a piecemeal fashion, we shall seriously prejudice our future operations. I am opposed to the proposal that we should at once do away with the bookkeeping system. I have ascertained from business men in this city that they have become so accustomed to it that it now causes them but little inconvenience. As a matter of fact, from a statistical point of view, it is highly advantageous, and will continue to be so until we acquire a closer knowledge of Inter-State conditions, and until our population settles down, and our lands become more fully occupied. I agree with the Treasurer and his predecessor that it would be a mistake to discontinue the operation of the Braddon section at the present juncture, and that, for the sake of securing harmony between the States and the Commonwealth, the bookkeeping system should be continued until 1920.

MR. FISHER.—Is the honorable member in favour of the bookkeeping sections being continued indefinitely?

MR. KNOX.—I am not. The time must come when the proposal made by the honorable member for Mernda will prove the final solution of the problem which confronts us. I venture to suggest, however, that at the present juncture, it is premature and unnecessary—that it is unlikely to be accepted by the States, and would, if adopted, introduce unnecessary complications.

MR. FISHER.—I should like to hear the honorable member's reasons for that opinion. I think that the principle enunciated by the honorable member for Mernda is sound, and that the question is one of urgency.

SIR JOHN FORREST.—It would suit some of the States very well.

MR. FISHER.—Queensland would lose by it.

MR. KNOX.—I hold that we have not yet arrived at a proper understanding as to what is the true indebtedness of the States. We have not yet reduced the debts to a common standard such as will be necessary if we adopt the *per capita* system. I have pointed out in a memorandum, which has been circulated, that not only does the *per capita* incidence of the principal vary, but the *per capita* incidence of the interest also varies to such an extent that we cannot possibly apply the *per capita* system until we have reduced the whole of the debts to a common standard. I agree with the suggestion that we should adopt a 3 per cent. basis. I would draw attention to the fact that, whereas the total debts of the States amount to £236,680,739, the funded debts of Victoria amount to £51,513,767, whilst she has also an unfunded debt of £2,476,609. This State has also a municipal and corporation debt amounting to £13,182,377, but the municipal obligations of New South Wales amount to only £2,941,939. Queensland, South Australia, and Western Australia have also a very small municipal indebtedness. This is due to the fact that in Victoria we have had for many years a very complete municipal system—a system which, until quite recently, was not in operation in the other States. I feel that in order that we may arrive at a fair recognition of what are the responsibilities of the States, we must take into consideration this municipal indebtedness, since in Victoria it has been largely incurred in carrying out public works which in New South Wales have been undertaken by the Government. This is a point worthy of being considered when we proceed to determine the individual responsibilities of the States. It is true that the Constitution

does not contemplate the taking over of municipal debts, but if the *per capita* system were adopted, we should be taking over a large amount of indebtedness incurred by the Government of New South Wales in carrying out work undertaken in Victoria by municipalities.

Mr. HARPER.—Does the honorable member mean to say that part of the New South Wales indebtedness was incurred in connexion with municipal works?

Mr. KNOX.—Undoubtedly. A large part of the indebtedness of the New South Wales Government has been incurred in

connexion with obligations similar to the municipal obligations of Victoria.

Mr. DUGALD THOMSON.—Similar to the municipal and shire obligations of Victoria.

Mr. KNOX.—Yes. I have prepared some figures which the officers of the Treasury have been good enough to check and to verify, showing the purposes with which the loans of the States were made. They will demand consideration in connexion with the *per capita* incidence of taxation, the transfer of liability, and the refund of interest, and are as follow:—

STATEMENT of Loans raised for Railways and other purposes, and showing earnings of Railways, per head, &c. (Year, 1904-5.)

	Total Loans raised.	Railways.	Railways per head (pop. at 31.12.04.)	Water Supply.	Other purposes.
	£	£	£	£	£
New South Wales	82,321,998	49,047,720	33·66	11,473,589	21,800,689
Victoria	56,815,472	39,467,249	32·60	7,784,584	9,563,639
Queensland	42,285,167	23,891,805	45·80	824,373	17,568,989
South Australia	28,773,695	11,255,587	30·20	5,272,714*	12,245,394
Western Australia	17,012,436	9,331,489	38·51	3,025,864†	4,655,083
Tasmania	9,471,971	4,200,000‡	23·30	...	5,271,971‡
Total	236,680,739	137,193,850	34·43	28,381,124	71,105,765

* Including £967,290 sewerage.

† Including £120,195 sewerage.

‡ Approximate.

It will be seen that, while New South Wales borrowed £21,800,689. Victoria borrowed only £9,563,639 for "other purposes"; but, if her large municipal obligations were added she would be entitled to a refund of interest on an amount almost equal to the

borrowing for "other purposes" by New South Wales. The following tables show the revenue and expenditure of the six States, in important departments, together with their population on the 31st December, 1904:—

REVENUE.—1904-5.

	Railways, Net.	Lands.	Other Sources.	Total.	Amount per head.	Balance paid to State by Commonwealth.	Total.	Balance to the State per head of population.
	£	£	£	£	£	£	£	£
New South Wales ...	1,609,666	1,757,902	2,522,578	5,890,146	4·04	2,529,070	8,419,216	1·74
Victoria ...	1,507,653	372,393	1,510,766	3,390,812	2·80	2,017,377	5,408,189	1·67
Queensland ...	594,670	587,876	845,577	2,028,123	3·89	752,532	2,780,655	1·44
Sth. Australia ...	532,845	165,553	803,892	1,502,590	4·03	555,692	2,058,282	1·49
West Australia ...	354,126	187,639	771,475	1,313,240	5·42	1,027,898	2,341,138	4·24
Tasmania ...	73,429	54,288	294,278	421,975	2·34	259,099	681, 4	1·44
	4,672,389	3,125,931	6,748,566	14,546,886	3·65	7,141,668	21,688,554	1·79

EXPENDITURE.

	Public Instruction.	Other Services (excluding Railways).	Total (excluding Railways).	Amount per Head of Population.	Annual Rate of Interest on Public Debt at 30.6.05.	Total Expenditure, including ANNUAL RATE of Interest as at 30.6.05	Interest per Head of Population.
	£	£	£	£	£	£	£
New South Wales	898,019	4,645,542	5,543,561	3·80	2,937,150	8,480,711	2·02
Victoria ...	619,533	2,377,717	2,997,250	2·48	1,974,499	4,971,749	1·63
Queensland ...	322,496	897,072	1,219,568	2·34	1,565,106	2,784,674	3·00
South Australia	156,321	890,631	1,046,952	2·81	1,081,025	2,127,977	2·90
Western Australia	148,552	1,735,114	1,883,666	7·77	582,778	2,466,444	2·41
Tasmania ...	67,399	352,902	420,301	2·33	348,111	768,412	1·93
	2,212,320	10,898,978	13,111,298	3·29	8,488,669	21,599,967	2·13

Population at 31.12.04 (taken at that date to obtain fair comparison) :—

New South Wales ...	1,457,246
Victoria ...	1,210,304
Queensland ...	521,655
South Australia ...	372,682
Western Australia ...	242,289
Tasmania ...	180,200
	3,984,376

I have also a table showing the net earnings of the railways less working expenses, the net earnings per head of population, and the percentage paid on railway loans. It is as follows:—

1904-5.

	Net earnings of Railways (i.e., Revenue less working expenses.)	Per head (population at 31.12.04).	Per cent. on Railway Loans.
		£	
New South Wales	1,609,666	1·10	3·28
Victoria ...	1,507,653	1·25	3·82
Queensland ...	594,670	1·14	2·49
South Australia...	532,845	1·43	4·73
Western Australia	354,126	1·46	3·79
Tasmania ...	73,429	·41	1·75
Total ...	4,672,389	1·17	3·41

We shall not be able to deal satisfactorily with the transfer of the debts of the States to the Commonwealth until a properly constituted body of qualified men is appointed to advise on the whole subject. The honorable member for Mernda has proposed the appointment of a Committee for another purpose; but a body such as I speak of is necessary, not only to deal with the actual transfer, but to bring the various proposals which have been made into harmony, so that the very best results may

be obtained from them. When dealing with my proposal for the establishment of a council of finance for the Commonwealth of Australia, I shall elaborate my views on this subject. I intend to ask for the appointment of a Commission, to consist of members of the Commonwealth and of the States Parliaments, for the drafting of a scheme for the transfer of the debts of the States to the Commonwealth, and the making of recommendations as to the constitutional amendments and powers required. These recommendations will have to be submitted to the various Parliaments before effect can be given to them. My suggestion is that all the proposals which have been put forward for the transfer of the debts of the States shall be submitted to this Commission. In this way we shall secure the co-operation of the States. I shall not, however, deal with the matter fully to-night. I wish to repeat what I have already contended,—that we must not expect that the Brad-don section will not be renewed. I am sure that the States will not agree to its ceasing to have effect at the end of the period provided for in the Constitution. We can, however, accomplish nothing of a satisfactory and useful character in connexion with these large financial transactions unless we appoint some such body

as I have spoken of. The Debts Commissioners of England were first appointed by Pitt in 1786, and very many Acts of Parliament have been passed imposing upon them new obligations. They were appointed chiefly to see to the proper investment of various sums, and their application to the reduction of the national debt. Their last report gives particulars of what they have done, and their work is a splendid example of what can be accomplished by a body of men which has assigned to it special functions of this nature. A similar Commission exists in Egypt, and in South Australia our Speaker, when Treasurer of the State, appointed another body of the kind.

Mr. FISHER.—Is not the Egyptian Commission an international body, appointed to advise the Egyptian Government on financial affairs?

Mr. KNOX.—It was originally appointed to control the interests of the various nationalities, and each nation concerned appoints one or two representatives. They have great powers in regard to the distribution of interest, the undertaking of public works and the management of the debt. The functions of the Commissioners suggested by the honorable member for Mernda would not be so wide as those of the body which I should like to see created. It may interest honorable members to be informed as to the constitution of the English Commission. It consists of the Speaker of the House of Commons, the Chancellor of His Majesty's Exchequer, the Master of the Rolls, the Accountant-General of the Court of Chancery, and the Deputy-Governor of the Bank of England for the time being. All these are men of high standing and wide experience, and I think we should do well if we appointed a similar body of men to help us in arriving at a solution of this most important question. I think the Treasurer has presented a scheme which, with one or two modifications, might prove effective. He has properly guarded himself in regard to the payment of a lump sum to each of the States, by proposing to take power to levy extra duties in the event of it becoming necessary to make good a deficit in the Commonwealth funds, or to provide funds to meet any special emergency. I have endeavoured to ascertain whether it is proposed to take any definite action during the

present session, but all the information that is vouchsafed by the Treasurer is that a Bill is in preparation. I would ask honorable members to seriously consider whether we should not at once proceed to appoint a Commission to consider the various proposals that have been made for the proper adjustment of the financial relations of the Commonwealth and the States, and to formulate a scheme for overcoming the difficulties which now present themselves. I think we should endeavour to secure the co-operation of the States in this matter, and that we should go the length of inviting them to appoint representatives to the proposed Commission. I do not mean that individual States should be represented, but that, say, two experts should be appointed to represent the whole of the States, and to co-operate with two representatives of the Commonwealth, the four experts having a Judge of the Supreme Court to preside over them as Chairman. I have been able to deal with only the very fringe of this great question, and I shall take an opportunity at a later stage of putting forward my ideas in a memorandum in which I shall endeavour to clothe the skeleton presented by me in this Chamber two years ago.

Mr. GLYNN (Angas) [9.53].—The honorable member for Kooyong is to be complimented upon the careful research that he has evidently given to the financial questions with which he has dealt, and I am sure that when he presents his memorandum honorable members will be only too glad to give it their best attention. I have been looking through the Budget papers, and I should like to give honorable members the result of an analysis of some of the figures, which may throw some light upon the alleged extravagance of the Commonwealth. We have heard much about the great incubus which the Federal Parliament and Departments are proving. People who talk glibly about Federal extravagance forget that machinery had to be provided for an expansion of population. For instance, in the United States, machinery was provided in the beginning which has practically remained unaltered. In the first instance, the representation provided for was in the ratio of one member to 30,000 electors, whereas, through the automatic operation of the provisions of the Constitution and the increase of population, the representation in 1894 was in the proportion of one member to every 195,000 electors. Similarly, we began with machinery that

was, perhaps, too large for our population at the time, but, in view of the fact that written Constitutions are more or less rigid, we had to provide for the growing necessities of a young community. I find from the figures supplied by the Treasurer that last year the revenue amounted to £11,897,343, and the expenditure to £4,494,841, whilst the amount returned to the States was £7,384,502. Now, I shall deal with the expenditure which is sometimes referred to as indicating Federal extravagance. That is owing to the fact that it is not subjected to the analysis it ought to receive. Last year the "other," or new, expenditure amounted to £827,355. I have seen it mentioned in the public press that this is the expenditure that is caused by Federation. The words "other" expenditure, however, are used to cover three classes of expenditure, and that is how the mistake arises. One class of "other" expenditure amounts to £508,000, whilst £318,488 is provided for new works, rifles, &c., items of expenditure which, under the old State system, would have been debited to loan, but which, under our healthier system of finance, have to be paid out of revenue. Therefore, even if we divide the other expenditure into these two parts, we must reject £318,488 as not being included in the cost of the Commonwealth. If we further analyze the figures we arrive at this position: £318,488 was devoted to new works, &c.; then policy, and not machinery, was accountable for an expenditure of the £154,706 which was devoted to the payment of sugar bonuses. Non-recurring expenditure amounted to £25,000, and the balance of £309,161 represented the actual cost of the Federal machinery. If the electors are not satisfied with the total of "other" expenditure, they have the remedy in their own hands, except as regards £309,000. They can, by deciding to adopt a different policy, do away with the rest of the expenditure. But, it may be said that next year there will be a very large increase upon the amount expended last year. It is estimated that £1,197,147 will be expended, and I find that £376,895 may be regarded as representing the cost of Federation. At the outset that appears to be a rather large increase upon the actual expenditure for 1905-6, but an examination of the estimates shows that there is a very large item of non-recurring expenditure under the heading of electoral expenses. £50,000 is provided to defray the cost of the Federal

elections as against an actual expenditure of £1,925 last year. Then the expenses expected to be incurred under the Electoral Act amount to £21,000 as against an actual expenditure of £16,256 last year. Census and statistics account for £8,700. Thus, in the Estimates for the current year we have non-recurring expenditure totalling £79,000 as against £18,000 last year. I do not wish to quote the figures, but, comparing the revenue and expenditure for 1901-2 with the revenue and expenditure for 1905-6, and noting the amounts returned to the States in the respective years, we have not retrograded. There has been an increase of revenue, but not a corresponding increase of expenditure. There has been a slight increase, but not so great an advance as the net increase of revenue would justify, in the amount returned to the States. A much larger amount would have been returned to the States if we had adopted a wiser policy. Here, again, the result is not due to the machinery of Federation, but is capable of being controlled by the electors. If we were to cut down the loss which we annually incur by paying a Lounty to the sugar industry, and if we refused to waste money upon the Post and Telegraph Department merely to bring kudos to a particular Minister, we might be afforded an opportunity—without resorting to additional taxation—to make provision for the payment of old-age pensions. If we acted in the way I suggest, we should bring about a healthy state of affairs, because a good many of the items of expenditure during the past three years are of a non-recurring character. They really represent capital expenditure which under the old system would have been taken out of loan moneys. For instance, I find that in 1904-5 the Defence vote included a capital outlay of £200,259; in 1905-6, it was £171,572; while during the current year the amount is estimated at £182,177. All that expenditure is non-recurring. It represents a special expenditure which was made upon the recommendation of Major-General Hutton. I think that up to the end of June, 1905, something like £400,000 has been expended in that way.

Mr. FISHER.—The honorable and learned member will find that it is not non-recurring expenditure. It recurs every year.

Mr. GLYNN.—I think that I am fairly justified in saying that it is non-recurring

expenditure. Of course, the one Department about which a person may justifiably be sceptical is the Defence Department. I do not know how we stand in regard to it. One Minister of Defence appears to know everything about defence matters—if we are to judge by his pronouncements in this House, and in the press—but his successor at once reverses his policy. In the same way the commanding officer of our Military Forces believes in reliance on a land force for the defence of the Commonwealth, whereas our Naval Director entertains an entirely contrary view. For instance, Captain Creswell, on 10th November, 1905, recommended the construction during the course of seven years of three cruiser destroyers, sixteen torpedo boat destroyers, and fifteen torpedo boats at a cost of £1,768,000.

Mr. KELLY.—His calculations have been found to be based upon a very much under-estimated expenditure.

Mr. GLYNN.—Within a period of four years he had completely reversed his policy, and he now has in the hands of the Government a report upon which they seem afraid to act.

Mr. KELLY.—His scheme has been condemned in the most unqualified way by the highest expert body in the Empire.

Mr. GLYNN.—Lt.-Col. Bridges, in referring to Captain Creswell's scheme in December, 1905, said—

It is difficult to know whence the crews are to be drawn, and if torpedo boats and destroyers are not to fight it is difficult to know what they are for.

In view of the policy which has been adopted during the past five years, and of the conflict of opinion which exists between the Military and Naval authorities, it behoves us to be a little cautious when Ministers come down with elaborate estimates of expenditure. I have already mentioned that if we did not waste money in paying a bounty to the sugar industry we should occupy a much stronger position than we do. I take the Estimates of the present year to illustrate my point. The bounty to be paid to Queensland represents £240,000, and that to New South Wales £38,500, or a total of £278,500. But we have to add to that sum the difference between the revenue which was derived from the industry in 1902-3 and that which it is estimated will be received during the current year. The position is that in 1902-3

the revenue received from this source was £780,448, whereas during the present year it is calculated that it will amount to only £628,000. In other words, there will be a shrinkage in our revenue of £152,448, which, added to the £278,500 outlay upon the bounty, will make a total loss in connexion with our policy of offering special treatment to the sugar industry of £430,948. I wonder how the electors of Australia will appreciate that policy when the position is properly put before them, as I hope it will be within the next few months. I hold that we are absolutely wasting money in this connexion. What justification is there for paying New South Wales £38,500 a year, seeing that in 1901 89.7 per cent. of the acreage under cane cultivation in that State employed white labour, as against only 90 per cent. in 1905-6.

Sir JOHN FORREST.—Under the Constitution we could not discriminate.

Mr. GLYNN.—Do the Government urge that? Is that the way in which our constitutional power is interpreted? Are we to lose £38,000 yearly owing to the bungling of Ministers? The idea underlying the interjection of the Treasurer is that, in giving effect to a uniform policy, we cannot avoid incurring that loss. But I would point out that what we are required to do under the Constitution is to have a law uniform in application, but not necessarily in effect. I suggested at the time this question was under consideration that the law should provide that the bounty should be paid only in cases where white labour had been substituted for black labour. Unfortunately, we have a Government in office which is incapable of seeing that that is the true solution of the sugar problem.

Sir JOHN FORREST.—It is very easy to be wise after the event.

Mr. GLYNN.—I beg the Treasurer's pardon. I tabled an amendment to that effect at the time the sugar bounty was last under consideration, but I could not induce the House to agree to it. I pointed out that uniform bounties merely necessitated a general law, and not a general effect of that law.

Mr. DUGALD THOMSON.—But we should have had to adopt a dividing line—some degree of latitude, for instance—under the honorable member's proposal.

Mr. GLYNN.—Not at all. All that we had to do was to declare that only in cases

where white labour had been substituted for black after the passing of the Act should the bounty be paid.

Mr. DUGALD THOMSON.—Does not the honorable and learned member see how unjust that would have been to some growers, who had of their own initiative attempted to introduce white labour?

Mr. GLYNN.—Does the honorable member think that a few cases of that sort justify us in incurring an annual loss of £38,000? The fact that in 1901-2 white labour was employed upon 89.7 per cent. of the acreage under sugar cultivation in New South Wales, and that in 1905-6 the acreage which employed that class of labour had only increased to 90 per cent., is sufficient justification for my criticism.

Mr. MCWILLIAMS.—Ninety per cent. of the bounty which is paid to New South Wales growers is a free gift to them.

Mr. GLYNN.—I now come to the debts question. One would imagine from the utterances of honorable members that the problem presented in connexion with this scheme had not previously been faced. But as a matter of fact there is not a difficulty with which we are now confronted which was not touched upon by members of the Federal Convention. For instance, it was pointed out that without the consent of the States the Commonwealth would not be able to take over the debts which accrued after 1901. I emphasized the fact that even debts that were subsequently converted could not be taken over. But nothing was done. The public were told that within a few years after the establishment of the Federation a tremendous saving of interest would be effected on account of the reputation which the Commonwealth would have gained for its solvency. Personally, I have never heard of a saving of any magnitude having been made except where debts were maturing. In 1888 Mr. Goschen introduced two big conversion schemes, aggregating about £600,000,000, but about half of the amount represented securities which were redeemable at once, and the balance was redeemable at twelve months' notice. The merit of his policy was that he risked the possibility of the market being against him and of the bond-holders asking for cash, when he gave notice of redemption, and was successful. In the Federal Convention I pointed out that there was nothing to

be gained through consolidation of the debts. I said—

For the first five or six years the Federation will undoubtedly be on its trial. Before it can gain a reputation for solvency it must do something to justify it, and honorable members are mistaken when they think that the English creditors are going to jump at a Federal security until they see how the forces operate in the Federal Parliament.

They are not going to jump at it. Reference is sometimes made to the position of Canada, whose 3 per cent. bonds stand at about £98.

Sir JOHN FORREST.—Canada does not owe very much. Her railways and other great public works are constructed by private enterprise.

Mr. GLYNN.—That is the whole point. The Dominion debt amounts to about £76,000,000, and about one-fourth of its annual expenditure in respect of its indebtedness is placed to the credit of a sinking fund.

Sir JOHN FORREST.—The Government uses its large sinking funds in buying its own bonds.

Mr. GLYNN. — Yes. It is that which causes the appreciation which is going on in the Canadian 3 per cents. I would like honorable members to say how it is that the unitary system of France shows a better result than does the Federal system in Germany? If a Federal system, apart from the result of proper financing, and because of the stability of its assets, appreciates its securities, it is extraordinary that, so far as its 3 per cent. bonds are concerned, Germany is in a worse position than is France. In 1904-5 the right honorable member for Balaclava confirmed the remarks which I quoted just now. He said—

My confidential advices lead me to the conclusion that unless the British creditors are satisfied that the Commonwealth has priority of security it cannot get much, if any, better terms than the States.

That is about the present position. What should be done? Honorable members talk glibly about the Commonwealth taking over the whole of the States debts. What saving would be effected by the adoption of that course? What we really need to do is to follow the advice which was pressed upon the delegates at the Convention. At that gathering I pointed out—

What you can do is to get over one difficulty. You can at all events absorb the whole surplus . . . and the question now remains

whether it would not be better for the Commonwealth to assume liabilities corresponding approximately to the aggregate of the surplus, and thus get over the difficulty of making periodical payments to the States, and whether you would or not by doing that remove any timidity from the minds of the States Treasurers as to their liabilities for public debts.

With all due respect to the growing wisdom of the last five or six years, I venture to assert that the words then spoken were true, and are equally true to-day. The problem we have to face is not such a transfer of the total indebtedness of the States as is contemplated by some honorable members, and which could not result in any saving even if it were possible.

Mr. DUGALD THOMSON.—We could not make such a transfer at the present time.

Mr. GLYNN.—I do not think that we could, but what we ought to do if we abolish the “Braddon blot” is to throw upon the Commonwealth—the collector and receiver of revenue—the responsibility for as much expenditure as is possible. We can do that by taking over, when the opportunity arises, a proportion of the States debts that will be sufficient to wipe out the surplus returnable to them.

Mr. DUGALD THOMSON.—Accepting responsibility for a proportionate amount of interest.

Mr. GLYNN.—We should strike a fair average of the amounts returned in respect of past years, and make a fair allowance for an increase. I do not see why we should return to the States a fixed sum based upon an average of what has already been returned to them. Our population must increase. If the Customs revenue largely expands—and it must grow—is the Commonwealth to return only a sum based upon past results? Surely the people are to be considered in their State as well as in their Federal relations? Great credit is taken by the Commonwealth for the fact that it returns every year a large surplus to the States. One would think that it was intended that the Federation, the moment it was established, should absorb the whole of its possible share of revenue. Surely it was not anticipated that we should do anything of the kind?

Mr. DUGALD THOMSON.—Nor should it be anticipated that we shall do so in the future.

Mr. GLYNN.—I am glad that the honorable member for North Sydney shares my view. I would not offer to return to the States a fixed sum based on the bald average of the last six years; I should rather

allow some elasticity, so that the States would be entitled to a proportionate share of the increased revenue which the Treasurer seems to admit will be obtained in the future.

Mr. MCWILLIAMS.—A fixed amount would give the Commonwealth the benefit of any increase in the revenue returns.

Mr. GLYNN.—That is so. As a member of the Convention, I tabled, not only a motion relating to this question, but one designed to remove the difficulty in regard to the transferred properties, by proposing that we should take over a corresponding proportion of the debts of the States. At the time Sir Edmund—then Mr.—Barton seemed to favour the proposal, and called upon the leading financial authorities—the then Treasurers of the States—to express an opinion upon it. If I remember rightly, however, almost every one of them declared that it was not a good one. But what is the present position? The very principle that I then enunciated is embodied in the Property for Public Purposes Acquisition Act. It is true that it has not been put into operation owing to the disinclination of the States to accept such a solution of the difficulty, but the fact remains that, although the principle was objected to by the so-called financial experts of that time, it is now embodied in Commonwealth legislation.

Mr. FISHER.—It is a perfectly sound principle.

Mr. GLYNN.—I think so. What folly it is to suggest that we should cause a valuation of the transferred properties to be made, and hand over their capital value to the States. Surely, as regards payments, they will have to be dealt with eventually on the *per capita* principle. Our position is very like that of a partnership in which men with different aggregates of capital come together, and all that remains to be done is to adjust the difference. If we do not accept that solution, we must take over a part of the indebtedness which will wipe out at all events a portion of the values to be credited to each of the States, in respect of the transferred properties. If we do this, and also take over a proportion of the indebtedness of the States, the interest on which will be sufficient to absorb the surplus returnable, the system may not at first work perfectly, but it will, at all events, rid us of the timidity of the States Treasurers in regard to their liabilities.

There is only one other matter to which I desire to refer. An effort was made in the Convention to bring the *per capita* system of distribution into force, if not on the expiration of the bookkeeping period, at all events at the expiration of ten years from its initiation. If I remember rightly, I tabled a motion at the sitting of the Convention in Melbourne, but, unfortunately, it was dealt with at 3.30 a.m. It was then decided to trust to the Federal Parliament the solution of the difficulty. The time must come when we must apply the surplus on the unitary principle. There must be at some time or other an inequality in the distribution, but what has been the position with regard to Great Britain and Ireland? For many years, there was in force what I may be permitted to describe as a system of bookkeeping finance, and a portion of that system was continued until 1853. Afterwards, there was, to a large extent, an amalgamation of the finances, although Ireland has been paying *per capita* a far larger share than is justifiable according to the capacity to pay of the component parts of the Union.

Mr. FISHER.—And Scotland is in an even worse position.

Mr. GLYNN.—I do not wish to introduce this consideration in order to disturb the component parts of the old country, but even there they did apply under conditions which seem to have less justification for it—

Mr. HIGGINS.—Does not the honorable and learned member think that the States are fast approximating to an equality *per capita*?

Mr. GLYNN.—The honorable and learned member has hit the point which bears out my contention. I wish to refer briefly to the figures presented by the Treasurer. In the excellent appendices that have been placed in our hands, he shows that the receipts from Customs and Excise average £2 4s. 2d. per head of the population, but the position in regard to Western Australia is a source of trouble. It is estimated that the receipts from Customs and Excise in that State, leaving out, of course, the returns under the special Tariff which expires at the end of this year, average £3 14s. per head.

Sir JOHN FORREST.—The special Tariff is not included in this calculation.

Mr. GLYNN.—Quite so, and they cannot disturb future calculations. I think, however, that a return was presented to the

Convention showing that in 1896 the receipts from Customs and Excise in Western Australia were equal to £8 6s. 7d. per head of the population. We know, too, that in 1900 they were equal to £5 6s. 3d. per head, whilst to-day they are only £3 14s. per head.

Sir JOHN FORREST.—They could not, I think, have been as high as the honorable and learned member suggests.

Mr. GLYNN.—I think I am correct in stating that in 1896 they were equal to about £8 per head.

Mr. HIGGINS.—And they have been falling away ever since the Treasurer left the State Parliament.

Mr. GLYNN.—No doubt. The solution suggested at the Convention is applicable at the present day. If we desire to rid ourselves of the difficulty in regard to the *per capita* system, why should not the distribution be for some time per head of the male population?

Sir JOHN FORREST.—What is the need for hurrying this matter?

Mr. GLYNN.—Surely the right honorable gentleman does not think that we are to keep up for all time the present artificial system? Why did the Convention prescribe that the bookkeeping system should be compulsory for a period of five years, and that it should thereafter be dealt with according to the wisdom of the Parliament? Surely it was thought that at the end of the five years period we should have sufficient data to enable us to adopt a system which would be contemplated as final.

Sir JOHN FORREST.—Scarcely. It was specially enacted that it should continue until Parliament otherwise provided.

Mr. GLYNN.—If we attempted a distribution per head of the male population I think that we should overcome the difficulty, but if we did not adopt that system we might, as suggested by the honorable member for North Sydney, make a *per capita* distribution, with an allowance for some time to Western Australia to cover possible loss—an allowance based upon the average for the last few years. During the first year of the operation of the Customs Tariff did not Tasmania suffer a loss of something like £161,000? Do not the figures show that Western Australia is vicariously suffering for the benefit of the Federation? Did not Queensland suffer a loss?

Mr. FISHER.—More than all the others put together.

Mr. GLYNN.—But she has been fairly well compensated by special grants.

Mr. FISHER.—She receives no special grant.

Mr. GLYNN.—I mean that the Government policy has largely affected Queensland. She may have lost in one way, but her sugar industry has been considered in another direction.

Mr. FISHER.—Not at all.

Mr. GLYNN.—I do not wish that consideration, however, to affect my argument. Tasmania in the first year of the operation of the Commonwealth Tariff suffered a shrinkage of about £161,000 in her revenue, and, although we might introduce a system that apparently might not do perfect justice to one of the States for a few years, we ought to remember that the Tariff for the last five or six years has been unequal in its incidence upon the component States of the Union. I do not wish to trespass further on the time of the Committee. I have simply presented a few figures, which it occurred to me during a rather hurried perusal of the Treasurer's papers ought to be impressed upon those who seek to discount the good work done by the Federation.

Mr. CULPIN (Brisbane) [10.26].—The proposal that the Commonwealth, with a revenue of about £2,000,000 per annum, should take over the indebtedness of the States, amounting to about £236,000,000, is a very serious one, and should be very carefully considered before effect is given to it.

Mr. STORRER.—The conversion of the States debts is one of the objects of Federation.

Mr. CULPIN.—I accept the statement of the honorable member, and I am merely pointing out to the Committee that we ought to be careful what steps we take, lest we make the position worse for those who come after us. I agree with the honorable member for Angas that no saving could be effected by the Commonwealth immediately taking over the whole of the debts of the States, and that we may only hope to secure economy by taking over the loans as they fall due. We must possess our souls in patience until the States have loans falling due, when we may proceed to take action, if we feel that we are in a position to do something in this connexion. I do not think that any good result would follow an attempt on our part to convert the whole of the loans of the States. The evidence is

against any serious proposal in that direction at the present juncture. *Coghlan* points out that the market value of the 3 per cent. stocks of this State range from £84 to £85, that Queensland 3 per cent. stock is quoted at £84, and that Tasmania's 3 per cent. stock is quoted at £85. On the other hand, he quotes figures showing that the 3 per cent. stocks of the Canadian Dominion have a market value of £96. We should endeavour to borrow on equally advantageous terms, but I am afraid that at present we shall not be able to do so. The favorable position of the stocks of the Dominion of Canada should furnish a powerful reason for seeking to improve our credit. We must improve our credit before talking of borrowing more money. By obtaining gold to a substantial amount, and then buying Australian bonds, we should, after two or three years, find our credit increased. Mr. Coghlan does not suggest that we shall be able at once to retrench or reduce our interest bill. He says—

The extent of the reduction in principal or in interest which the Commonwealth will ultimately be able to secure when it undertakes the redemption or renewal of the State loans is, of course, purely a matter of speculation which a series of issues alone can determine. It would be wise, when dealing with the matter, not to count upon any great reduction available from this source at the outset of the new arrangements, though, as already pointed out, satisfactory results may ultimately be obtained.

We have not reason to expect satisfactory results at present, but they will be obtained eventually. In years to come, our stocks will have increased in value, and we shall then have to pay more than when we borrowed or converted. Let us, therefore, first go into the market as buyers. By doing so we shall improve our position. Queensland has already done something of this sort, though almost by accident. It has certainly not been done of set purpose. When she found herself in possession of a large amount in gold with which she did not know what to do, she very sensibly applied it to the reduction of her debt. She bought £386,522 worth of bonds, and placed on deposit £85,000, while she has in her strong-room £317,000. This is a special fund which has been created by her Treasury-note issue.

Mr. KELLY.—Is that the system which the honorable member wishes the Commonwealth to adopt?

Mr. CULPIN.—I think it would be a good one for the Commonwealth to adopt,

though I do not intend to discuss that matter now. I feel that the suggestion of the honorable member for Angas as to the manner in which the transferred properties might be dealt with is the correct one. We might relieve each State of a portion of debt, which would balance the value of the properties transferred by it to the Commonwealth, and, if we adopted a scheme similar to that of Queensland, we could use our available gold to buy up stock. The amount of stock which we could purchase would not be large, but we might invest £3,000,000, £4,000,000, or £5,000,000 in that way. This would greatly improve our financial position, and the time would come when we might very reasonably go on the market, not to buy up the stock, but to ask investors to agree to its conversion at lower rates of interest. In this way, we should increase our credit, and that would be an advantage to us when we wished to make use of it.

Mr. FISHER (Wide Bay) [10.35].—The debate on the Budget for this year has been more national in character than any of its predecessors, and I, for one, am glad that a large number of honorable members have given special consideration to the subject of State indebtedness, and have delivered themselves so fully and concisely in regard to the matter. However, as the hour is late, I hope to be given an opportunity to continue my remarks on another occasion.

Progress reported.

ADJOURNMENT.

PREMATURE DISCLOSURE OF INFORMATION TO THE PRESS: FEDERAL CAPITAL.

Sir JOHN FORREST (Swan—Treasurer) [10.36].—I move—

That the House do now adjourn.

The following letter has been addressed by the Chairman of the Tariff Commission to the Prime Minister, and is of to-day's date:—

Sir,—I have the honour to forward you the text of a resolution passed unanimously at a meeting of the Commission held on even date, as follows:—

"That the Commission, having caused a searching investigation to be made respecting the premature disclosure made in a Melbourne newspaper on 10th inst. of Recommendations contained in Progress Reports Nos. 5 and 6, find:—

1. That such disclosure was made in a manner and at a time calculated to be prejudicial to the public interest, which the press as well as public men ought to consider and protect.

2. That we have not been able to trace the source of the information supplied to the said newspaper, but we are satisfied that no official connected with or in the service of the Commission has betrayed his or her trust."

Mr. GROOM (Darling Downs—Minister of Home Affairs) [10.38].—I wish to mention that, to enable Cooma to be reached at a convenient hour, a special train will leave town to-morrow at 1.30 p.m. for the convenience of honorable members who intend to visit the Dalgety and Lake George sites. The following telegram was received to-night by the Prime Minister from the Premier of New South Wales:—

Number legislators unable visit Canberra site last week have expressed desire do so Monday next in lieu going Lake George; arrangements for this being made.

This is the first intimation which we have received that any honorable member desires to visit Canberra in lieu of Lake George, and have, therefore, replied that, as honorable members have accepted the invitation to visit Lake George, it is presumed the telegram is a suggestion that they will have the option of going next Monday to either Canberra or Lake George. A number of honorable members have already visited Canberra, and I had no idea that any member desired to go to that place on this trip. The Premier of New South Wales may give honorable members the option of going to Canberra instead of Lake George, but the telegram suggests that the trip to Canberra is to be made in lieu of the proposed visit to Lake George.

Mr. KELLY (Wentworth) [10.41].—It is generally agreed that accessibility is one of the first desiderata in connexion with the Federal Capital Site, and the information which the Minister has just given as to the extra time that would be occupied in proceeding to Dalgety, as compared with other sites, should weigh with honorable members when they come to make their choice.

Mr. FISHER (Wide Bay) [10.42].—I think that the honorable member for Wentworth has made a most unworthy attempt to prejudice one of the proposed sites for the Federal Capital. The merits of a site are not to be discounted by making a statement regarding its inaccessibility based upon a telegram, which is the outcome, not of anything done by the Commonwealth, but of circumstances, which are not very creditable to those who are responsible for them.

Question resolved in the affirmative.

House adjourned at 10.42 p.m.

Senate.

Friday, 17 August, 1906.

The PRESIDENT took the chair at 10.30 a.m., and read prayers.

WIRELESS TELEGRAPHY.

Senator STANFORTH SMITH. — I desire to ask the Minister of Defence, without notice, whether, in view of the importance of obtaining a uniform system of wireless telegraphy throughout the Empire, the Government will defer committing the Commonwealth to any system until after the Imperial Conference has been held, in April next, when the subject could be fully discussed in London, and a fuller knowledge of the various systems obtained?

Senator PLAYFORD.—The question of wireless telegraphy is being dealt with by the Postmaster-General, though, of course, it has incidentally come under my notice. I believe that my honorable colleague is making the necessary inquiries into the different systems in operation, with a view to adopting one in connexion with the Post Office, and which would also help so far as defence was concerned. He has not, I understand, arrived at any conclusion; at all events, he has not yet brought the subject before the Cabinet. If the honorable senator will give notice of a question, I shall ascertain exactly how the matter stands.

CONSTITUTION ALTERATION (SENATE ELECTIONS) BILL.

Motion (by Senator KEATING) agreed to—

That leave be given to introduce a Bill for an Act to alter the provisions of the Constitution relating to the election of senators.

Bill presented, and (on motion by Senator KEATING) read a first time.

EXTRA SITTING DAY.

Senator PLAYFORD (South Australia—Minister of Defence) [10.34].—I move—

That, unless otherwise ordered, in addition to the days of meetings set forth in the sessional order of the 14th June, Tuesday of each week be a meeting day of the Senate during the present session at the hour of half-past two in the afternoon, and that on such day Government business take precedence of all other business on the notice-paper, excepting questions and formal motions.

It is extremely advisable—in fact, it is necessary—that, if possible, Parliament should be prorogued early in October, at the very latest. There is a large quantity of work to be transacted, and I am anxious to se-

cure sufficient time for the Senate to deal with the many measures which appear on its notice-paper, and those which will come up from another place. At the present time our notice-paper includes the Australian Industries Preservation Bill, which I hope will be read a second time to-day, the Judiciary Bill, the Kalgoorlie to Port Augusta Railway Survey Bill, the Audit Bill, and a Constitution Alteration Bill, and I have obtained leave to bring in a Quarantine Bill. From the House of Representatives there will come up a Parliamentary Elections Bill, a Bounties Bill, a Postal Rates Bill, a Copyright Act Amendment Bill, and Tariff Bills, one of which—that relating to spirits—is expected to be here next week. Then we have to consider the Estimates of Expenditure. The Estimates relating to new works are embodied in a separate Bill, which we can amend; but the Estimates in chief are embodied in a Bill in which we can only request amendments. It will be seen that there is a great quantity of business to be transacted. Unless we sit four days a week, I doubt whether we shall be able to close the session as early as is desirable. I therefore ask the Senate to agree to meet on Tuesday whenever it is necessary. On account of a number of honorable senators visiting certain proposed Capital sites, I do not propose to ask the Senate to meet on Tuesday next until 3.30 o'clock.

Senator DOBSON. — We shall all be knocked up when we return.

Senator PLAYFORD.—The honorable senator will not be in any worse condition than the members of another place, who took a similar journey last week-end, and yet met on Tuesday last at that hour. I think I have given sufficient reasons to justify the Senate in passing the motion. If I should find that the work progresses at a rate which will enable me to get the paper cleared within the time I mentioned without meeting on Tuesdays, I shall certainly not ask the Senate to meet on that day, but I have my doubts on the subject. When it is recollected that, although the second reading of the Eminent Domain Bill was moved on the 18th July, its last stage was not reached until the 9th August, it will be seen how long it takes to deal with important Bills.

Senator Col. NEILD (New South Wales) [10.41].—I rise to oppose the motion, because the Minister does not propose to take for the consideration of Government business

the time which is allotted to so-called private business, though he must know, in view of what has happened in another place, that it would be perfectly useless for the Senate to deal with private business, inasmuch as it could not be dealt with there. All that could be done in that regard would be simply a sort of electioneering placard.

Senator O'KEEFE.—The honorable senator uses plenty of them.

Senator Col. NEILD.—I do not require any placards as I am not going up for re-election, and those who are might just as well recognise their position.

Senator O'KEEFE.—The honorable senator has more notices on the business-paper than all the other senators put together.

Senator Col. NEILD. — I have not a single notice on the notice-paper, so that the honorable senator is talking, as the phrase goes, "through his neck." As the other House has done away with private members' day, so far as this session is concerned, it will be of no use to the Senate to spend any time in simply beating the air in relation to private business which could not possibly come to any fruition.

Senator MACFARLANE.—There is the Canteen Bill, which was passed by the other House.

Senator Col. NEILD.—It has been put on the notice-paper in a position which suggests that it is not going to be heard of any more. There is enough business in front of that measure—in the names of Senators Dobson and Pearce—to prevent it from being reached on Thursday next.

Senator PULSFORD.—That is not certain.

Senator MILLEN.—And it does not matter whether it is or not.

Senator Col. NEILD. — It does not matter whether the Canteen Bill is reached or not, because it will not get any "forader."

The PRESIDENT.—I ask the honorable senator not to discuss that Bill.

Senator Col. NEILD.—I was led away by an interjection, sir. It would be very much better for Senator Playford to secure for the consideration of Government business the time which is reserved for the consideration of private business, as his colleagues have done elsewhere, than to ask honorable senators to make the sacrifice of attending on an additional day. Perhaps my objection does not apply to those who live in Melbourne, and have no engagements here, but I take it that it applies to Victorian senators who have engage-

ments on Tuesdays. Certainly it applies to the senators from South Australia and New South Wales; therefore one-half of the Senate is materially interested in this demand for an additional day. If we are simply to debate propositions on Thursday afternoons, when we are actually alleging that the urgency of public business requires the giving up of a further day, I do not think that it augurs very much for the commonsense of the Senate. The other House, with double our membership, and certainly with an equal power of oratory, can get through with its business in four days a week, but we, with less than half its membership, were asked to devote as much time to legislative work.

Senator GUTHRIE.—The other House has been sitting on four days a week throughout the session; we have not.

Senator Col. NEILD.—If the Minister were to adopt my suggestion, it would be very much more to the public interest as it would provide for the continuity of Government business on three days a week, and avoid having a paltry attendance on the Tuesday, and an interruption in the middle of the week for the discussion of academical propositions. For those reasons, I oppose the motion.

Senator STEWART (Queensland) [10.45].—I move —

That the words "unless otherwise ordered," line 1, be left out.

The intention of my amendment is to make compulsory the holding of four sittings per week. I believe that it is absolutely necessary, if the business of this Parliament is to be done, that we should sit as often as the other House. I was extremely surprised to hear Senator Neild's remarks with reference to private business. There is no member of the Senate who monopolizes so much of the business-paper as he does. I have now come to the deliberate conclusion that he has merely been guided by advertising motives. But there are some honorable senators who are anxious to pass Bills and take in hand matters which the Government has refused to deal with. Why should any obstruction be placed in their path? It appears to me that the attitude of Senator Neild and other honorable senators in this respect is not only belittling to themselves, but to the Senate. We ought not to hand over our responsibilities to a select section of members of this Parliament. We are responsible to the public, and, if we believe that certain

measures are necessary in the public interest, it is our duty to bring them forward. If we do not sit four days a week, the Government will at the first opportunity snip away the whole of the time allotted for private business. There is a vast amount of business to be done before the session closes. Senator Playford has enumerated a number of measures, in addition to which, I suppose, we shall have the Tariff amendments before us soon. Of course, I am aware that a number of senators go home to New South Wales and South Australia every week-end, and probably only the most insignificant members will be left to do the work on Tuesdays. The big guns will not come along until Wednesday. But they should not on that account prevent the little pistols from being fired off.

Senator FRASER.—The honorable senator should not be so modest.

Senator STEWART. — I think that I ought to be modest in the presence of such great luminaries. I feel very modest, anyhow. If our friends will only give us the opportunity to sit four days a week, I shall be extremely grateful.

The PRESIDENT.—Is the amendment seconded? There being no seconder, the amendment falls to the ground.

Senator O'KEEFE (Tasmania) [10.51].—If we adopt the motion of the Minister, we shall merely be following a precedent which has been set on former occasions. It appears to me to be absurd for some honorable senators to have so much regard for their own interests, as opposed to the interests of the public, when we remember that throughout the session the members of another place have been sitting four days a week, whilst we have sat only three, and have had an adjournment for three weeks. There seems to be not the slightest doubt that we shall have sufficient business to keep us occupied four days a week until the end of the session. In addition to the business already on the notice-paper, several measures are in an advanced stage in another place, and will soon be ready to be dealt with by us. I trust that Senator Neild's suggestion that private business should be abandoned will not be entertained at present. No doubt, as the session advances, the time for private business will have to be absorbed by the Government; but I hope that for a short time longer that will not be necessary. As to Senator Stewart's amendment—

The PRESIDENT.—It has not been seconded, and is not therefore before the Senate.

Senator O'KEEFE.—Senator Stewart's proposal was unnecessary, in any case.

The PRESIDENT. — The honorable senator ought not to discuss a proposal that is not before the Senate.

Senator O'KEEFE.—The motion of the Minister is that the Senate shall sit four days a week "unless otherwise ordered." No matter what motion was carried, the vote of the Senate could at any time alter the number of sitting days.

The PRESIDENT.—If the words, "unless otherwise ordered," were not inserted, it would be necessary to rescind the resolution before the sitting days could be again altered.

Senator O'KEEFE.—I think that it would be competent for the leader of the Government at any time to move that the Senate at its rising adjourn till Wednesday instead of Tuesday.

The PRESIDENT.—No; that would not be competent if the words, "unless otherwise ordered," were not inserted.

Senator O'KEEFE.—The ruling of the President prevents me from continuing that phase of the discussion, but I may remark that there is no power on earth which could make us sit four days a week if the majority of the Senate were determined not to sit more than three.

The PRESIDENT. — The Standing Orders distinctly provide that if a resolution has been carried a certain procedure shall be observed in order to rescind it.

Senator O'KEEFE. — However, the point does not matter very much. I am in favour of the motion as moved, because I am satisfied that it is necessary for us to sit four days a week.

Senator MILLEN (New South Wales) [10.56].—I do not intend to oppose the motion. The responsibility is upon the Government to proceed with business, and to ask the Senate for such time as is considered necessary to enable that business to be dealt with satisfactorily. But I wish to ask honorable senators to consent to alter the motion so as to provide that we shall not sit until 3 o'clock on Tuesday. I am satisfied that there is no desire on the part of any one to inconvenience those who take advantage of the week-end to return home. Meeting at half-past 2 on Tuesdays will be inconvenient to a number of us. We arrive at the railway station at about half-

past 1, and it will be recognised that the hour which elapses between that time and the hour of meeting is insufficient to enable one to attend to the little personal comforts which, of course, suggest themselves. I therefore ask the Minister to agree to an alteration to the effect that we shall not meet until 3 o'clock on Tuesdays. Half-an-hour will not make a material difference, whilst the convenience to honorable senators will be considerable.

Senator PLAYFORD.—I do not object to the suggestion of the honorable senator.

Senator MILLEN.—I move—

That the words "half-past two" be left out, with a view to insert in lieu thereof the word "three."

Senator Sir JOSIAH SYMON (South Australia) [10.58].—I second the amendment. I am glad that the Minister has agreed to it. We are all anxious that no unnecessary inconvenience or discomfort shall be imposed upon each other. The business of the Senate is, of course, in the hands of the Government. They know what business is coming forward, and if they think it is necessary to extend the time devoted to the business of the country we may fairly well be guided by them as to whether we shall meet an extra day or abolish the usual time for the consideration of private business. The Government in this instance has proposed that there shall be an extra sitting day, and I, for one, shall not object to it.

Amendment agreed to.

Question, as amended, resolved in the affirmative.

SPECIAL ADJOURNMENT.

VISIT TO PROPOSED CAPITAL SITES.

Senator PLAYFORD (South Australia—Minister of Defence) [11.0].—I move—

That the Senate, at its rising, adjourn until half-past three o'clock on Tuesday next.

Senator Sir JOSIAH SYMON.—When is it proposed to adjourn to-day?

Senator PLAYFORD.—I desire to continue so long as a quorum can be kept. I understand, however, that owing to the visit to the proposed Capital sites, there will not be sufficient members here in the afternoon. Under the circumstances, I do not propose that the Senate shall sit after 1 o'clock.

Senator Sir JOSIAH SYMON.—Say 12 o'clock.

Senator PLAYFORD.—Very well.

Question resolved in the affirmative.

AUSTRALIAN INDUSTRIES PRESERVATION BILL.

SECOND READING.

Debate resumed from 16th August (*vide* page 2945), on motion by Senator PLAYFORD—

That the Bill be now read a second time.

Senator FINDLEY (Victoria) [11.3].—The Minister of Defence, in moving the second reading, dealt with the prevalence of trusts, pools, and combines in the United States, laid before us the dictionary definitions of the various terms applied to this large-scale business, and added the definitions supplied by Mr. Tregear, the Secretary of Labour in New Zealand. The Minister's speech dealt largely with generalities, and, so far as I was able to follow him, there was an entire absence of any reference to the existence of trusts or combines within the Commonwealth. It was only towards the conclusion of his speech, when he referred to dumping, that his remarks had any local application. "Dumping" is a word that conveys many meanings. During my stay in the East last year, I visited Hong Kong, and there I heard and read a good deal about "dumping." A few years ago, it appears, plague, in a very serious form, took possession of a portion of the city; not that Hong Kong is ever free from plague; but, on that occasion, hundreds of Chinese and many whites lost their lives. The British authorities, in their extreme anxiety to get the plague under control, resorted to drastic measures. A number of Chinese habitations were destroyed, and those that were left, together with the goods and chattels, were fumigated in a way they had never been fumigated before. This, of course, meant a serious loss to the Chinese merchants, and the result was that, if the death of a Chinaman was attributed to plague, the owner of the house where it occurred, threw, or what was called in the East "dumped," the body into the street. It was no uncommon thing, when I was in Hong Kong, to find the morning newspapers contain startling headlines, such as "More Dumping," "Two More Cases of Dumping," and so forth.

Senator FRASER.—That is a new style of dumping.

Senator DE LARGIE.—Did that appear in the Chinese newspapers?

Senator FINDLEY.—No, in the English newspapers; and very creditable productions they are. Then we have heard of

"wool dumping," which I understand to mean a process of compressing and binding bales of wool for export. I do not suppose that such "dumping" would come within the meaning of the Bill. Another illustration of "dumping" was afforded by Mr. Kirwan, the representative of the Cigar-makers' Union, who, in giving evidence before the Tariff Commission, strongly and justly complained about what is called the "dumping" of inferior machine-made cigars by a local octopus, the tentacles of which are stretching throughout the world. This dumping, Mr. Kirwan pointed out, is a detriment to the local trade and a serious injury to cigar operatives, who were fully employed before the introduction of the monopolistic machine. The Minister, in introducing the Bill, had nothing to say in regard to this machine, or the evils created here by the monopoly I have indicated. Is this Bill intended to defeat the object the Labour Party has in view, namely, the nationalization of such industries? Or is the Bill a sop to those gigantic trusts? The promoters of the Tobacco Trust have no doubt been laughing up their sleeves at the possibility of the passing of this measure, because they know, by experience of similar legislation in America, that they can ride the proverbial coach and four through such enactments. The Tobacco Trust is a menace to the operatives engaged in the manufacture of cigars. The monopolistic machine turns out cigars at a cost of 6d. per 100, whereas the cost by hand labour is 2s. 6d. per 100. There are now a few small manufacturers by hand who conduct business on a £5 licence-fee, and they find it almost impossible to make a living, owing to the competition of the machine. Further, the Tobacco Trust has the consumers within its grip, and the growers of tobacco are at its mercy, owing to there being only one buyer for leaf. To this trust, it is a matter of indifference whether there be a high Tariff or a low Tariff.

Senator O'KEEFE.—Would the Bill not deal with this combine?

Senator FINDLEY.—Not at all. The trust has an almost entire monopoly of locally-produced tobaccos and cigars; and if the Tariff were altered to-morrow, the trust, with its additional monopoly of importation, would be able to charge consumers whatever prices it liked. True, the Tobacco Trust has made no move up to the present time; and the reason is that public

attention has been so focussed on this subject by the proceedings of the Tobacco Commission, and by the numerous addresses delivered by advocates of collectivism, that any procedure likely to raise the opposition or hostility of the general public, would create a demand for nationalization forthwith. When this trust began to feel its way in New Zealand it did so rather gingerly. Eventually, however, it got possession of about 95 per cent. of the trade, and then it proposed to increase the price of tobacco by 2d. per lb. At this point, however, the late Mr. Seddon said, "I am watching the operation of the tobacco combine, and if there is to be a monopoly the State is most entitled to it."

Senator PLAYFORD.—Hear, hear!

Senator FINDLEY.—I only wish the Minister of Defence would give practical effect to the approval he expresses by his "hear, hears" when reference is made to any action of the late Mr. Seddon.

Senator PLAYFORD.—We desire to prevent the injury to the public by means of regulation. If we cannot do so by regulation, we shall have to adopt the other course.

Senator FINDLEY.—How can regulation prevent cigar operatives being thrown out of employment because of the existence of this huge combine?

Senator PLAYFORD.—Would there not be as many unemployed cigar operatives walking about the streets under a State monopoly?

Senator FINDLEY.—Not at all. I am satisfied that if the industry were nationalized to-morrow, every operative who is now walking about the streets would not only be fully employed, but would enjoy more reasonable hours and better pay than now prevails.

Senator MILLEN.—The honorable senator would not abolish machines?

Senator FINDLEY.—Certainly not. But all the profits which the members of the trust are now making for themselves and their particular friends would be enjoyed by the whole community, and the conditions of employment would be improved.

Senator MILLEN.—The question is whether there would necessarily be more men employed under a State monopoly.

Senator PLAYFORD.—The monopolistic machine would continue to keep men out of employment.

Senator FINDLEY.—It could not throw any more out of employment than there are

at present. This machine is enabling certain people to make an immense fortune in a short period; and, under a well-regulated system of society, the hours of the employes could be reduced, and employment afforded for those who are at present idle.

Senator PLAYFORD.—But the men employed are under State laws which govern hours.

Senator FINDLEY.—That is perfectly true; but we have the power to nationalize the industry, and make the conditions of the men and women employed even better than under Wages Boards. It is a notorious fact that, notwithstanding the considerable diminution in the importation of tobacco and cigars in recent years, there are fewer men employed than at any normal period in the history of any of the States.

Senator PLAYFORD.—That, I suppose, is the result of the employment of machinery.

Senator FINDLEY.—The production of cigars has been materially increased by means of this machine, and the workmen have suffered in consequence. When Mr. Seddon made the statement that I have just quoted, it was said to run "like a stream of ice water down the spinal marrow of those interested in the Australian tobacco combine."

Senator PLAYFORD.—Did the combine drop the proposal to increase the price?

Senator FINDLEY.—They dropped that proposal, and several others, because they knew they were dealing with a man who meant what he said, and who would act in accordance with his words. The kind of legislation before us is not likely to run like iced water down the backs of the Tobacco Trust.

Senator DE LARGIE.—Mr. Seddon was prepared to do things, and not talk.

Senator FINDLEY.—He was both a doer and a talker.

Senator PEARCE.—Mr. Shaw, one of the directors of the Tobacco Trust, said he would welcome this kind of legislation.

Senator FINDLEY.—No doubt, because the trust would be able to dodge it.

Senator PLAYFORD.—No fear!

Senator FINDLEY.—How optimistic our Minister of Defence is! He can foresee that the Bill is going to bring about all the results which its framers anticipate! I am quite of the contrary opinion, because, if we are to be guided by evidence, similar legislation has proved an absolute failure in the United States.

Senator PLAYFORD.—Oh, no.

Senator FINDLEY.—Oh, yes. If that legislation has not been a failure, how does the Minister explain the continued existence of huge combines and trusts in the United States?

Senator FRASER.—But American legislation has not finished with trusts yet.

Senator FINDLEY.—And never will. We cannot stop the march of trusts under a competitive system of society; they can be stopped only by a system of collectivism.

Senator FRASER.—Matters would be worse then.

Senator FINDLEY.—Not at all. The Minister said that this kind of legislation would, in all probability, secure some of the evils I have incidentally mentioned in connexion with one particular monopoly; but we who were members of the Tobacco Commission do not believe that it would if it is to have the effect of breaking up a monopoly which has systematised the methods of carrying on a business—

Senator PLAYFORD.—We do not wish to break up a monopoly if it is not injurious to the public.

Senator FINDLEY.—I maintain that there is no privately-owned monopoly in any country on the face of the earth that is beneficial to the whole community.

Senator WALKER.—Can the honorable senator mention a single monopoly in Australia at the present moment?

Senator FINDLEY.—I do not know whether the honorable senator from sunny New South Wales has been listening, but I have been for some time endeavouring to direct attention to the existence of the tobacco monopoly.

Senator WALKER.—The so-called tobacco monopoly is not a monopoly.

Senator FINDLEY.—I should like to see the honorable senator and some of his friends put up £300,000 or £400,000 in an endeavour to fight the monopoly. They would probably meet with the same disaster as certain people in Great Britain met with, if they did.

Senator PLAYFORD.—It must be proved that a monopoly is injurious to the public before it can be dealt with under this Bill, and I do not believe that that could be proved with respect to the tobacco combination.

Senator FINDLEY.—I can prove that it has brought serious suffering upon many who served years of apprenticeship to the business.

Senator PLAYFORD. — That happens wherever labour-saving machinery is introduced.

Senator FINDLEY. — I know that it does, and the honorable senator says that because of the introduction of labour-saving machinery nobody suffers.

Senator PLAYFORD. — I say that they do suffer, and I am sorry that they do.

Senator FINDLEY. — Then, what is the Minister's remedy for that?

Senator PLAYFORD. — I cannot remedy it.

Senator FINDLEY. — This Bill is no remedy for it.

Senator PLAYFORD. — The honorable senator cannot remedy it.

Senator FINDLEY. — Put me in the position occupied by the Minister, and I will remedy it in a fortnight. I undertake to say that I could find a remedy for the tobacco combine. I am sure that Senator Pearce, who was Chairman of the Tobacco Commission, who has the whole of the facts connected with the combine at his fingers' ends, and could probably put the case better than I can, would, if he were in a position to nationalize the industry, do so in a fortnight.

Senator MILLEN. — The Labour Government were in power for more than a fortnight, and did not attempt it.

Senator FINDLEY. — How were they in power?

Senator MILLEN. — I am taking the honorable senator's own estimate of a fortnight.

Senator FINDLEY. — They were in office, but they were in a minority.

Senator DE LARGIE. — They were in office without power.

Senator FRASER. — That is not constitutional.

Senator FINDLEY. — A great many things are done in the Commonwealth and in the various States that are not constitutional. I do not believe that any labour man desires to do what is unconstitutional. We recognise that there are difficulties in the way of the nationalization of industries without some alteration of the Constitution, and we favour the introduction of a Bill which would enable us to make the alteration of the Constitution which is required.

Senator MILLEN. — In the meantime the honorable senator might extend his estimate of the time in which he would nationalize the tobacco industry to more than a fortnight.

Senator FINDLEY. — I do not say that we could do it in a fortnight without an alteration of the Constitution.

Senator MILLEN. — Or with an alteration.

Senator FINDLEY. — I think that we could.

Senator MILLEN. — The honorable senator had better make it a month.

Senator FINDLEY. — I am not to be led astray in connexion with this matter. When the Tobacco Commission submitted their report, the majority favorable to the nationalization of the industry, in view of the condition of the industry when conducted on the acute competitive lines that existed prior to the formation of the combine, said—

Neither in our opinions would it be to the advantage of the Commonwealth for Parliament by legislation to break up the existing organization to revert to the wasteful and unorganized method that existed prior to the formation of the combine.

And they said further—

Your Commissioners are of opinion that it would be utterly useless to attempt to regulate it by an alteration of the Tariff.

The mention of the recommendations of the Commission reminds me that a certain weekly paper, which had in various issues vigorously denounced the combine, and strongly advocated the nationalization of the tobacco industry, has for a considerable period been silent on the subject. For some time past illustrated pages of the tobacco combine's advertisements have appeared in its columns, and some folk think this had something to do with the short colourless paragraph which it devoted to the Commission's recommendations.

Senator MILLEN. — To what paper does the honorable senator refer?

Senator FINDLEY. — A newspaper with a certain influence, a certain atmosphere, and a certain cover. I will now leave the tobacco business for a few moments in order to say something with respect to dumping. I am inclined to believe, from what I have heard and read, that there is no doubt whatever that this Bill would never have seen the light of day if it had not been for the agitation conducted by certain people interested in the manufacture of a certain kind of harvester. Senator Trenwith, perhaps deservedly, paid a high compliment to the energy, push, and perseverance of Mr. McKay as an inventor. I think that we can also compliment Mr. McKay on being a persevering, pushful man, alive to the advantages of a full measure of protection for one

section of the community, and on being a patriotic protectionist in his own interests. He would, as I would if I had the power, build a big wall round the Commonwealth to prevent the importation of goods which can be made in this country; but, side by side with that protection, I should insist on the fullest measure of protection to all employed in the protected industries. Mr. McKay would not do anything of the kind. He believes in free-trade in labour. In this respect he is not unlike other men, some of whom are parading around the Commonwealth now as patriotic protectionists, and one of whom is touring abroad on behalf of the Commonwealth. Mr. Charles Atkins, who, according to newspaper reports, is announced as a candidate for the Senate at the ensuing elections as a protectionist Liberal, said last year, as President of the Chamber of Manufactures, in delivering his annual address: "Our cry should be: Fight for the Tariff and freedom of contract." What he advocates is a high Tariff, and all the protection possible for the so-called captains of industry; but for the men who are asked to help in securing that measure of protection he asks freedom of contract—the non-recognition of trade unionism. That is a fine doctrine to be preached in this enlightened day—freedom of contract, and the non-recognition of the principles of trade unionism, the minimum wage, Conciliation and Arbitration Acts, and so on. He is not likely to secure the support of any working man with a policy of that kind. Then there is Mr. Beale, the ex-President of the Sydney Chamber of Manufactures, who has, I understand, a commission from the Commonwealth, and has been sending long reports more or less interesting for publication in our newspapers. When President of the Chamber of Manufactures he said in Sydney something to this effect—"Fight all you know how for high protection, but we must not have it at the expense of labour legislation." The members of the party to which I belong, free-traders and protectionists alike, will be no party to secure for manufacturers high protection, unless the workers get a share of the benefits derived from it. Then we have Mr. Hugh McKay and his brother. Honorable senators who have followed the history of factories legislation in Victoria are aware that it is a notorious fact that for a long period of time the most sweated trades in this State were the most highly protected trades. I

was a member of the Trades Hall Council of Victoria at the time the agitation in support of factories legislation and Wages Boards was at its height, and at considerable expense and effort that council endeavoured to rivet the attention of the community on the damnable sweating conditions existing in many trades that were highly protected. There was bitter opposition to the reform we advocated, namely, the establishment of Wages Boards. After a time we were successful in securing the recognition of our principles by legislative enactment. In order to extend that measure of beneficial reform in the interests of the masses in Victoria, we desired that the agricultural implement making industry should be brought under the provisions of the factories law. In 1901 Mr. Laidlaw, a representative of the Agricultural Implement Makers' Union, visited Ballarat, and talked to the men in the Sunshine Harvester works, of which Mr. H. V. McKay and Mr. G. McKay are the principals. It was decided, after an informal chat, that the employees, together with Mr. Laidlaw, as representative of the Agricultural Implement Makers' Union, Mr. H. V. McKay, and Mr. G. McKay, should meet to discuss the matter. They met in the Trades Hall at Ballarat, to consider the advisability of the industry being brought under the Wages Board provisions of the Factories Act of Victoria. After Mr. Laidlaw had addressed the men in terms of high commendation of factories legislation and Wages Boards, Mr. H. V. McKay said—

He thought the existence of Boards would be detrimental to the trade.

Senator FRASER.—Who said that?

Senator FINDLEY.—Mr. H. V. McKay, the man with the wonderful inventive genius.

Senator MILLEN.—That proves it.

Senator FINDLEY.—He had genius enough to circumvent the attempt to apply the Wages Board provisions to his industry, and to defeat legislation intended for the betterment of the conditions of the men in his employ. He went on to say—

He wanted to impress upon them the necessity of being allowed to conduct his own business as he pleased.

Senator PEARCE.—Freedom of contract.

Senator FINDLEY.—Yes, freedom to conduct his business as he pleased. That kind of argument is as old as the fœt-l. "If you do not like what I offer you, do the other thing." What hope has the

worker in such circumstances as that? He went on to say—

The employes should weigh well any action they might take so as not to clog the wheels of what was now a thriving business.

So that in 1901 it was a thriving business, according to his own admission, and he wanted his employes to weigh well any action they might take with the object of obtaining an extra shilling or two in wages. At that time, or in 1900, I understand that McKay got from £90 to £100 spot cash for his harvesters.

Senator PLAYFORD.—There was no other in the market.

Senator FINDLEY.—If there was no other in the market he was doing all right. I do not blame him for that. Senator Playford or I would probably have done the same thing in the circumstances, but I think we should have been prepared, if making big profits, to recognise the just claims of our employes to better conditions. Mr. McKay further said—

He trusted that the men would return the confidence he had always placed in them.

That was a nice appeal to a number of his employes, who were urged to take a ballot as to whether they were favorable to the application to the industry of the Wages Board provisions. Then the meeting was addressed by Mr. G. McKay, who I notice in to-day's newspaper writes on behalf of his brother to call upon Mr. Lemmon, of the State Labour Party, to prove certain statements with respect to the employment of boy labour in that industry. With that phase of boy labour I shall deal later on, in the light of Mr. McKay's evidence before the Tariff Commission.

Senator FRASER.—That is quite correct, I think.

Senator FINDLEY.—

Mr. G. McKay said he was paymaster of the firm. One effect of the trade being brought under the Act would be that improved labour-saving machinery would have to be obtained, and this would mean the displacement of many hands.

"Be careful of what you do, men," said Mr. G. McKay, in effect. "If you vote for factories legislation, many of you will be put out, because I shall introduce labour-saving machinery."

Senator MCGREGOR.—Does the honorable senator think that the manufacturers would not get it if they could?

Senator FINDLEY.—Absolutely, they have no consideration for their men in regard to labour-saving appliances. It is

the same in every line of business. The object of trade is to make profit, and the object of making profit, according to commercial philosophy, is to effect savings. Mr. Hugh McKay is not in this business for philanthropic reasons. He is there to make as much as he can, and I do not blame him. Whether the men were favorable to the resolution or not, labour-saving machinery, if he wanted to keep pace with the march of progress, would be introduced by him; otherwise, he would be hopelessly left. He is wide enough awake to know what to do. Last year, I understand, he toured the world—probably for the sake of his health, and also to see the latest and most scientific implements of production in his line of business. Mr. G. McKay went on to say—

He was of opinion that with the creation of Wages Boards trade would be discouraged.

If we cannot get satisfactory working conditions—reasonable rates of pay and hours of labour—I shall not be a party to encouraging protected industries under sweating conditions.

Senator MCGREGOR.—We all agree with that.

Senator FINDLEY. — I do not know that all do. Listen to the final appeal—

They should seriously consider what they did as it would affect their own as well as the firm's interest.

When the men were sheltered by the secrecy of the ballot what was the result? Notwithstanding the special pleading of the members of the firm, by a vote of 110 to 15 they decided that, in the interests of themselves and those engaged in similar industry, it would be wise to be brought under the Wages Board provisions of the Shops and Factories Act. What happened? The agitation for Wages Boards continued, and shortly afterwards there was established an Ironmoulders Board, affecting only a small proportion of the industry conducted by Mr. McKay. Employers and employes were equally represented on that Board, with an independent chairman. After sitting for a considerable time, it concluded its labours, and its determinations were gazetted.

Senator MILLEN.—When?

Senator FINDLEY.—In October, 1904. I do not propose to quote the whole of the Board's findings, but merely sufficient to show that the wages which it fixed were not excessive for men engaged in very hard and very difficult work.

Senator FRASER.—As far as I know, the Wages Boards are all reasonable.

Senator FINDLEY.—I am glad to hear the honorable senator admit that the determinations of the Boards which have sat in connexion with factories legislation have been reasonable.

Senator MCGREGOR.—He is as good as a labour man.

Senator FINDLEY.—Senator Fraser cannot be as good as a labour man whilst he holds foolish competitive ideas. When he comes over to the collectivist school, he will be all right.

Senator FRASER.—In my time, I have worked a great deal harder than either Senator McGregor or Senator Findley.

Senator FINDLEY.—I am not making any reference to that. I am only referring to the views which the honorable senator holds in regard to the competitive system of society, as against those which we hold in favour of a collectivist system. I have had to work very hard. I began very early.

Senator FRASER.—And I hope that the honorable senator will continue late.

Senator FINDLEY.—The maximum wage fixed by the Board for the best class of ironmoulders was 60s., while the lowest wage was fixed at 40s. For moulders' labourers, the "extravagant" wage of 38s. was fixed—

One improver to every two journeymen or fraction thereof employed in the process, trade, or business of an ironmoulder, receiving not less than 8s. per day employed on work other than pipe moulding, or on work incidental thereto. Where pipe moulding is carried on either alone or in conjunction with other work, one improver, or one additional improver, as the case may be, to every twelve journeymen or fraction thereof, exclusively employed on pipe moulding work receiving not less than 8s. per day.

Under the finding, improvers were to receive, for the first year, 5s. per week of 48 hours; for the second year, 7s. 6d.; for the third year, 10s.; for the fourth year, 12s. 6d.; for the fifth year, 15s.; for the sixth year, 20s.; and for the seventh year, 25s.

Senator MCGREGOR.—Did the boys get a week's wage if they had worked only three days?

Senator FINDLEY.—In all probability, they did not. There are some employers who in case of sickness or distress—so far as youths are concerned, at any rate—pay a full week's wage. There are other kinds of employers, who, in such cases, are known to make small deductions from

boys' wages. They even go into fractions in order to ascertain the exact amount to be deducted. In the seventh year, the boys were to get 25s. a week, and thereafter the minimum wage.

Senator PEARCE.—After serving for seven years they would be men, I should say.

Senator FINDLEY.—Yes. Almost as soon as the decision was gazetted, apparently to overawe the men, the Sunshine Harvester Works in Ballarat were closed down, and articles with very startling head-lines appeared in the *Argus* and the *Age*. The latter came out with an article headed—"The Strangling Tariff: Sunshine Harvester Works." The article in the *Argus* was headed "Ironmoulders' Wages Board: The Ballarat Incident." Mr. McKay not only said, but complained bitterly, that no intimation had been given to him of the intention of the Parliament of the day to enforce the Wages Board provisions in regard to his works at Ballarat. How singular on his part to imagine that he was to be favoured by the Government with a special communication to this effect: "At a certain period we intend to do this or that. Look out for the consequences." When that statement was made, Mr. Ord was seen by a reporter, and the following report appeared in the *Argus* of 8th October:—

No complaint, Mr. Ord says, reached the Minister; no concession in the way of extension of time was asked for, and no protest was lodged against the enforcement of the determination. Mr. Ord says further, that the Department is at a loss to understand why a leading manufacturer, who has always been credited with having paid a fair rate of wage, could possibly be injured by a determination, which, as a fact, has merely adopted the rates previously generally paid in the trade.

Senator MILLEN.—Was there any difference in procedure in applying the provisions of the law to this industry?

Senator FINDLEY.—Not at all.

Senator MILLEN.—Then Mr. McKay could have no cause for complaint.

Senator FINDLEY.—Mr. McKay said that he had always paid reasonable wages. He could not see what benefit the Wages Board provisions would be to his employes; but, since they were made applicable to him, he was going to be ruined. Mr. Ord said that he could not understand Mr. McKay's complaint, if what he had previously said was correct.

If the determination was so injurious then, Mr. Ord thinks, the Minister might have been approached or the Industrial Appeal Court invoked

to remedy the wrong. Country firms were represented on the Ironmoulders' Board.

Evidently the complaint of Mr. McKay was that the manufacturers of agricultural implements in the country were not represented on the Board; but that is not correct. According to the *Age* of 12th October, 1904, a large deputation of employes affected by the Wages Board provisions waited upon the Minister for Labour on the previous day. It was stated that 450 men were affected by the closing of the works. The following extract from the report is interesting:—

The Minister.—How many adults are affected?

Mr. Kerr.—I am not prepared to say. It affects about twenty ironmoulders.

The Minister.—And how many are there in Victoria?

Mr. Harrison Ord.—About 900.

Mr. Kerr.—Even supposing that myself and others do go to work at the Braybrook establishment, it means that thirty or forty of us have to break up our homes in Ballarat.

Senator PEARCE.—Mr. Kerr was an employé of McKay.

Senator FINDLEY.—Mr. Kerr was an employé of McKay at Ballarat. According to his statement, only twenty men were affected by the Wages Board provisions, and, as Mr. McKay had not infrequently said that the men were getting good wages, and he could not see that they were to be advantaged by a special Board, he closed up his establishment, and thus affected the working conditions of 450 men.

Senator MILLEN.—Although only twenty out of the 450 men were affected by the determination.

Senator FINDLEY.—Yes.

Senator FRASER.—That cannot be correct.

Senator FINDLEY.—Surely this man ought to have known what he was talking about. Did I not say a few moments ago that the determination of the Ironmoulders' Board affected only a portion of the employes in McKay's works? There are many kinds of artisans and tradesmen employed there. What followed? When Mr. McKay could not get redress from the Minister by way of a deputation, what did he do? On the 13th October, 1904, he addressed the following letter to the Chief Secretary:—

With reference to the application of the Wages Board conditions to the iron moulding, steel moulding, and malleable iron departments of the "Sunshine" Harvester works, I would respectfully point out that in consequence of the Act I am prevented from making any use of this very costly part of my Ballarat factory.

At considerable expense I have arranged for a temporary supply of castings from my factory in Braybrook.

I would respectfully request that something be promptly done to remove the embargo of Wages Board conditions from the implement and harvester business.

He went on further—

I further request that if this cannot be done at once you will give me an assurance that the Wages Board conditions will not come into operation at the factory in Braybrook. If you will do that I am prepared to considerably extend the factory, and will instal some more costly machinery, while if there is any chance of the Wages Board conditions being applied there I do not feel justified in spending the money.

As this whole matter involves a most serious question, I would respectfully urge that it receive your early and earnest consideration.

I am, Sir, yours respectfully,
(Sgd.) H. V. MCKAY.

What that came to was this—"If you will exempt me from reasonable working conditions I am prepared to considerably extend my factory, and by doing so will absorb more men or more boys — boys by preference." There are probably hundreds of manufacturers in this State who would gladly avail themselves of such an opportunity if they could be exempt from factories legislation. It is remarkable what unanimity exists between employer and employes in Mr. McKay's works. Here capital and labour are united. The lion and the lamb are lying down together. All this has taken place since the ballot, too! What occult influence has been at work? Some of the men would seem to have been hypnotized. They say, in effect, "Do not give us better conditions of labour. We do not want them. We do not want increased wages. We are all right as we are." By the Lord Harry! this Commonwealth would be a beautiful place to live in if all men engaged in protected industries were of that mind! We should not want any Acts of Parliament. We should all be happy without them. These men appear to say, "Mr. McKay is our boss and our joss. If he should go to Argentina, as he threatened to do some time ago, because he was irritated, whatever would happen to us?" In to-day's newspaper Mr. McKay denies that boys in knickerbockers are employed in his workshop. There would be no offence if out of 450 employes he did employ a boy in knickerbockers.

Senator DOBSON.—When is the honorable senator going to talk about the Bill?

Senator FINDLEY.—I think the harvester matter has much to do with the Bill. I do not know why Senator Dobson should be so anxious to jump away to-day. Surely he had quite enough bare-back riding last week.

Senator DOBSON.—I want to get on with the business.

Senator FINDLEY.—I think that I am confining myself to the Bill as closely as most honorable senators have done. I am endeavouring, as a representative of labour, to state the facts of the case as regards the harvester business, in the interests of a section of the community that does not, as a rule, get justice from some senators.

Senator PEARCE.—Senator Dobson is not President, anyhow.

Senator FINDLEY.—We know that he is an aspirant for the presidential chair, but to reach that position a man requires some experience.

The PRESIDENT.—I ask the honorable senator not to deal with that matter, which is not before the Senate.

Senator FINDLEY.—When before the Tariff Commission Mr. McKay's attention was drawn by Mr. Fowler to the trouble that had occurred at Ballarat. He said in the course of his examination, when referring to the determination of the Ironmasters' Board—

The condition they made, and of which we complained, was there should be one improver to every two journeymen. We had four improvers to one journeyman, and to carry out their condition we should have had to sack seven out of eight of very deserving young men, who were helping to develop our business.

So that his consideration was not for the men who ought to have been employed doing the work that youths were doing at youths' wages, but for what is extremely profitable to himself. The question is often asked "What shall we do with our boys"? If all employers were like Mr. McKay, we should not have much difficulty in solving that problem, but a more serious problem would arise: "What shall we do with our men"? Senator Higgs asked Mr. McKay his opinion about Wages Boards, and the minimum wage. He made matters sufficiently ambiguous to satisfy nobody on the Commission. He would not commit himself. As a matter of fact, to speak correctly, he fenced a direct question that ought to have received a direct answer. Then he complained that the International Harvester Trust with its immense capital was going to ruin the business with which

he was connected. Mr. McKay's own connexion with that combination is worthy of recital. Some one has said that there is charm in a twice-told tale. It may be said that what I am going to state has been said before, but it cannot be too much emphasized. Mr. McKay, together with other manufacturers, in 1903, entered into an agreement with the International Harvester Company, and the Massey-Harris Company, that in no part of Victoria, and in no part of the Commonwealth, should machines be sold for less than £81 spot cash. That agreement was binding during 1903-4. While it continued, all was sunshine for the local manufacturers, and probably also for the importing firms. At that time, however, the International Harvester Company had not a great number of machines in Australia. It went into business to make money out of it, just as the local makers did. After the expiration of twelve months, the agreement was renewed. But during its currency, Mr. McKay, and some of the other local manufacturers commenced knocking loudly at the legislative door.

Senator MULCAHY.—They were asked to "Come in," were they not?

Senator FINDLEY.—They complained about what they called the unfair competition of the importers at a time when they were parties to an agreement with the importers; and they asked for a fixed duty of £25 on each harvester imported. They received a sympathetic reply. The International people then said in effect, "These manufacturers have broken away from the agreement they have made with us." It appears that the local manufacturers promised that if they could get the measure of protection that they asked for, they would, in the first year, reduce the price of their harvesters by £5, and in the second year, would make a reduction of £10. Immediately that decision was made known, the International Harvester Company decided to reduce the price of its machines. Senator Trenwith last night endeavoured to show that the price at which the International Company was now selling was below that at which harvesters could be manufactured and sold in Australia. Strange to say, however, I am credibly informed that one of the local manufacturers, a party to the agreement, is to-day selling a machine at £68 5s., which, while the agreement was in operation, he was selling for £81. The International Company is selling at £70.

It is said that its machines at one time came in invoiced at £26. I have been searching, and cannot verify that statement. It is true, however, that the International Company imported harvesters invoiced at £31 5s., while the Massey-Harris Company imported them at £38. But at that time, the machines of the International Company were of a lighter make and of a different type from those which the Massey-Harris Company were importing. After the Minister decided to increase the valuation of the International Company's machines to the invoice price of the Massey-Harris machines, £38, the International people commenced to make a heavier machine. I am informed, and I think correctly, that those machines can be made for between £30 and £35. If there is any truth in the contention that a huge company with a large capital can afford to manufacture cheaper than a small man, it stands to reason that the International Company can make harvesters cheaper than the local manufacturers.

Senator FRASER.—I doubt whether they can import them as cheaply as the local men can manufacture.

Senator FINDLEY.—On what does the honorable senator base his doubts?

Senator FRASER.—Freights and charges have to be taken into consideration.

Senator FINDLEY.—If packing charges and freight are taken into consideration, the honorable senator's view is correct, but I cannot believe that a man in a small way, as Mr. McKay is in comparison with the International Company, can manufacture as cheaply as they can.

Senator MILLEN.—The honorable senator means the cost of the factory?

Senator FINDLEY.—Yes. Senator Trenwith laid very great stress on what is known as the "apple tree" circular; but that circular was issued immediately after the deputation of local manufacturers, and it will be seen that it is not admitted that the cost of manufacture is £38. The first three items quoted by Senator Trenwith are admitted; and those are £9 1s. 5d. for casing, packing, ocean freight, and exchange; £3 2s. 1d. for wharfage, packing inward, cartage, &c.; and £5 4s. 7d. as duty prior to the present increase. It is not admitted, however, that it costs £21 17s. 5d. for cartage, delivery, travellers' salaries and expenses, and so forth, or 27 per cent. of the retail price. Personally, I

do not think that it could cost £21 to dispose of a machine after it had been landed. However, I do not desire to pursue a line of reasoning which might be construed into a plea for the importing firm.

Senator PEARCE.—Is it not a fact that other local manufacturers in Victoria are subject to the Wages Board provisions?

Senator FINDLEY.—Yes. When Mr. McKay moved from Ballarat to Braybrook he got within a mile of other manufacturers in the same business, who were bound by an Act of Parliament to observe the conditions to which I have alluded. Braybrook is about ten miles from Melbourne. At places like Spotswood, Newport, and Footscray, although these are, so to speak, within a stone's throw of Braybrook, manufacturers have to observe conditions from which Mr. McKay is exempt. As a matter of fact, I have very little consideration for or approval of the importation of goods which can be manufactured in Australia, and I desire that to be clearly understood. But, as a protectionist who wishes to see the establishment of industries, I have no desire for the perpetuation of an evil introduced by Mr. McKay in connexion with an important industry. If an industry cannot extend reasonable conditions to those it employs, it ought not to survive.

Senator FRASER.—The industry ought to be subject to the State law.

Senator O'KEEFE.—Is it not the fault of the State Parliament that Mr. McKay has not been brought under the operation of the State Act?

Senator MILLEN.—It is not the fault of the State Parliament that Mr. McKay dodged the law.

Senator O'KEEFE.—Surely the State Parliament is powerful enough to follow Mr. McKay, or anybody else.

Senator FINDLEY.—The Chief Secretary and his departmental officers, while no doubt desirous that Mr. McKay's works should be carried on under the conditions imposed by the Factories Act and the Wages Boards, were probably influenced to a considerable extent by the petition of the men to be exempt. But there is not the shadow of doubt in the minds of those capable of judging that, to use a colloquialism, the petition was hawked round. I cannot think for a moment that any body of workmen, of their own volition, without the exercise of influence in a certain way, would sign a petition to be exempt from conditions beneficial to themselves. Senator Play-

ford, in introducing the Bill, said that we were told that the United States is cursed with trusts because it is a protectionist country. But I assert that fiscalism has little, if anything, to do with the creation of trusts and combinations, which are the inevitable result of the capitalistic-competitive system. The old theory that competition is the life of trade has long since been exploded. If competition is the life of trade, it is the death of businesses. Trusts are an economic development; they exist in every country throughout the world. There are some trusts that are perfect typhoons in the sea of competition. They absorb everything that comes within their influence; and as the result of typhoonic trusts, human wrecks can be seen in almost every part of the world. The capitalistic-competitive system is just about a century old, but I venture to say that it is doomed not to see another hundredth birthday. Condemn these trusts as we may, we must recognise them as an economic development, which may, after all, prove only a blessing in disguise. They demonstrate as clearly as the noonday sun that the position taken up by the advocates of collectivism is indisputable. By complete organization, and with the aid of immense capital, trusts are able to introduce the latest and most scientific methods of production, and to effect immense economies. With these concrete examples before us in the form of privately-owned trusts, we can readily see what a manifold advantage it would be if industries of the kind were under the control of the State—if they were not conducted on a system which creates a few millionaires on the one hand and countless mendicants on the other. I hold that all privately-owned trusts are inimical to a nation's progress. I hold further that, notwithstanding what anti-Socialists may say, competition has succeeded only by what I call a process of commercial cannibalism—that is, the eating up of small businesses by large ones, and large businesses by still larger. Let us view the position of working men in America in regard to these trusts. When there is a combination of firms, the workmen or workwomen have only one employer; and that is the case in many lines of industry in America.

Senator FRASER.—But in America a man may be a worker to-day and an employer to-morrow.

Senator FINDLEY.—That is not at all possible in this enlightened day—it is abso-

lutely impossible in America, and well-nigh impossible in Great Britain. There were periods, prior to the expansion of the competitive system, when a man with small capital, and endowed with energy and intelligence, could start on his own account, and probably become very successful in business. But in the United States of America to-day what hope has a small man of starting successfully in any line of business in opposition to the huge trusts?

Senator FRASER.—Ninety per cent. of the successful men in Australia are self-made men.

Senator FINDLEY.—I never knew a self-made man in any country on earth. No man can, by his individual efforts or enterprise, become wealthy, but men may, and frequently do, become wealthy by the united efforts and industry of those who work on their behalf. Very often those who pass as self-made men owe little or nothing to their own ability, their wealth having been won for them by subordinates, who, in some cases, have received very small remuneration for their services. What is the position of the working men under some of the combines in America? We often hear people talk about the tyranny of trades unionism, when some trades unionists conscientiously refuse to work with non-unionists, who have done nothing to advance the interests of the working classes, or of human kind. That is said to be tyranny of the worst description; but it is nothing of the kind. On the other hand, what is the tyranny exercised over the workers employed by the huge combines of the United States? According to the report of Mr. Tregear—

In regard to the black-list, it is asserted that it is often vindictively and almost always heartlessly used. Under the old *régime* it was possible, on discharge, to find another employer, but under combination, the employing body is a solid block of resistance, and in case of a worker offending his boss and being discharged, his name is black-listed in every department of the vast combination. If he does not change his name and disguise himself, there is no remedy but leaving that part of the country for ever. Governor Thomas, of Colorado, speaking on the subject of veto for repeal of an anti-boycott clause in a Bill, said—

“The most serious fact urged on behalf of this Bill is that some of the great companies in the State disregard and violate the black-list section with impunity. . . . The strong syndicate, entrenched in power and authority, overrides prohibition and penalties, snaps its fingers in the faces of the people, and sets at naught the limitations of Statutes and Constitution.”

What does the Sherman Act—and I understand the Bill is a twin brother of that Act—do for the unfortunate workmen of the United States, who are the victims of such tyranny as this? I take the following also from Mr. Tregear's report:—

According to Mr. Lawson's survey of "American Industrial Problems," newly published by the Messrs. Blackwood, American workmen are compelled by their employers to obey certain rules of life. They must be teetotallers; they must live in villages which the employer establishes for them; they are subject to a continued occult surveillance.

Confidential reports are made periodically to the management on every employé. The careless maxim of some British masters, that their men can do what they like with their own time, is never heard in the United States.

In the workshops private detectives are introduced to find out what the men are saying and doing:—

"The great Pinkerton has a detective service for this express purpose. One of his men may be hired as a fitter or mechanic, and he may be in the shop for months without exciting the least suspicion of his character. Every night he will send in a report of all he has seen or heard during the day."

Senator MCGREGOR.—And a great deal that he has not heard.

Senator FINDLEY.—Probably. I do not think that the Bill will in any way minimize the evils of trusts, so far as the working classes are concerned. I have said that all privately-owned combines and trusts are inimical to a nation's progress; because they, so to speak, have the community in the hollow of their hand. Some of these trusts in America silence newspaper criticism. I can quote a case in point, and I think I shall be able to show, after quoting it, that it has some local application. There is in America a patent medicine trust with a capital of £50,000,000. The retail price of the cure-alls sold by this patent medicine trust in the United States in one year is estimated, according to a writer in *The World's Work and Play*, at £20,000,000, of which sum £8,000,000 is spent in newspaper advertising, with the object of silencing any agitation which may be got up to condemn these quack medicines. I have here the issue of *The World's Work and Play*, for June, 1906, in which I find the statement made that the President of the Patent Medicine Association, in addressing the members of that Association quite recently, said—

"The twenty thousand newspapers of the United States make more money from advertising the proprietary medicines than do the pro-

prietors of the medicines themselves. Of their receipts, one-third to one-half goes for advertising."

The writer of the article from which this quotation is taken, says—

But in return for this the patent medicine men have cunningly succeeded in obtaining something more than the mere advertising space in the papers; they have brought about a conspiracy of silence; seduced the newspapers into captivity. Religious papers seem to be the most accommodating.

He goes on to give an absolute case, and he says—

In March, 1905, there was a debate in the Lower House of the Massachusetts Legislature on a Bill providing that every bottle of patent medicine sold in the State should bear a label stating the contents of the bottle.

When the Trade Marks Bill was before the Senate, I endeavoured to secure the insertion of a provision requiring that all these nostrums should be properly labelled, but some one said that it would ruin the medicine business, and that it was an interference with the liberty of the subject. If the formulæ of these cure-alls—these cures for every disease, from mumps to consumption—were made known, instead of paying 5s. a bottle for them, people would find that they could make them for 5d. a bottle, and perhaps they would also find that it would be better for their health if they never used them at all. The writer of the article referred to continues—

Some twenty speakers engaged in it, and more was told concerning patent medicines that afternoon than often comes to light in a single day. But the speakers searched in vain in next day's newspapers for their speeches; the legislative reporters failed to find their work in print.

This has some local application.

Senator DE LARGIE.—Surely not?

Senator FINDLEY.—I am referring now only to the advertising of patent medicines. There is a certain patent medicine called "Peruna." Honorable senators will have noticed in various newspapers published throughout the Commonwealth that it is very extensively advertised, in quarter-page and half-page advertisements. It is highly recommended by an ex-senator of the United States of America, and it appeals to everybody with any kind of complaint. They will sell you a bottle for 5s., and if that does not cure you, they advise you to buy six bottles for 25s., and you will be all right. This Peruna contains as much alcohol as does whisky, brandy, or rum. It contains from 40 to 50 per cent. of alcohol, as has been proved by analysis made by the Customs Department here.

Senator GUTHRIE.—The proprietors were fined in Brisbane.

Senator FINDLEY.—I was going to deal with that. It is a remarkable thing that, although a certain firm was fined in Brisbane for selling this "disguised booze," only one newspaper in Australia published the details of the case. That is not my statement, but a statement appearing in the *Journal of Pharmacy*, and this is attributed to the fact that the newspapers throughout Australia received large sums of money for advertisements of this patent medicine.

Senator MCGREGOR.—We shall see whether they will publish what the honorable senator is saying to-day.

Senator FINDLEY.—I do not care whether they do or not. I have the greatest respect for and confidence in the men who do the work of journalism in the Commonwealth, but I am aware that there are literary surgeons in the editorial sanctums who use the knife freely. I worked as a compositor for many years, and if there was one thing more than another that hurried on my desire for democracy and fair play, it was my knowledge of the unfairness of the proprietors of newspapers that howled for democracy and fair play but did not practise what they preached. The article to which I have been referring says with respect to Peruna:—

Any one wishing to make Peruna for home consumption may do so by mixing half-a-pint of cologne spirits, ninety proof, with a pint and a half of water, adding thereto a little cubebs for flavour, and a little burnt sugar for colour. It will cost in small quantities perhaps 3½d. or 4d. a quart. Manufactured in bulk its cost, including bottle and wrapper, is about 4½d. . . . "A compound of seven drugs with cologne spirits" is the authenticated formulæ of Peruna, but the total of the seven drugs is less than one-half of one per cent. of the product, and cologne spirits is the commercial term for alcohol. What makes it a curse to the community is the fact that the minimum dose first ceases to satisfy, then the moderate dose, and finally the maximum dose; and the unsuspecting patron who began it as a medicine goes on to use it as a beverage, and finally to be enslaved by it as a habit. The American Government forbids the sale of this "medicine" to Indians, because, says the Treasury department, "it leads to intoxication." A druggist in a southern "nollicence" town remarks upon the large sale of Peruna there.

I have seen persons thoroughly intoxicated from taking Peruna. The common remark in this place when a drunken party is particularly obstreperous is that he is on a "Peruna drunk." It is a notorious fact that a great many do use Peruna to get the alcoholic effects, and they do get it good and strong.

That should be interesting to prohibitionists.

Senator PEARCE.—It might have been useful in the canteen debate.

Senator FINDLEY.—I thought I would keep it for the Anti-Trust Bill. I had it up my sleeve.

Senator MILLEN.—The sales of Peruna will go up after this.

Senator FINDLEY.—Yes. I am going to tell honorable senators how they go for it in Maine, which is a prohibition State. There are evidently a lot of "dead marines" to be found there. The article continues—

So well recognised is this use of the nostrum that a number of the southern newspapers advertise a cure for the Peruna habit.

So that the effects of this panacea for every malady under the sun, and every evil to which flesh is heir, have afterwards to be cured by another cure-all.

It may be asked, why should any one who wants to get drunk drink a patent medicine—or, as the picturesque American writer puts it, "disguised booze" instead of, say, whisky? One reason is that in many places the "medicine" can be obtained and the liquor cannot. For instance, prohibitionists at home will have to confess with regret that some at least of the credit which has been awarded to Maine as a prohibition State must be withdrawn when the significance of the big business which this State does in patent medicines is realized.

I shall not quote a special case which is given, but it was that of a clergyman who was very seriously ill. He called in a physician who, after examining him, said, "You are suffering from alcohol poisoning." He said, "Nonsense; I have never taken liquor in my life." The physician said, "You have been poisoned by drinking alcohol. What patent medicine do you take?" The reply was, "I take Peruna," and the physician said, "You have got the Peruna habit very bad. Give it up or you will only go from bad to worse."

Senator O'KEEFE.—What has the Peruna business to do with the Bill?

Senator FINDLEY.—I am referring to some of the operations of the patent medicine trust of the United States who are introducing this nostrum to Australia to the serious injury of the health of the people. It is recommended as a cure-all for adults, and also strongly recommended as a cure-all for infantile complaints. An infant is supposed to take a spoonful of Peruna before each meal, and if that is continued for a week or two there will

probably be very little of the infant left. I know that there is extreme anxiety that the debate should close, and I desire to say in conclusion that this measure has been enthusiastically approved by a number of Government supporters, whilst it has been severely condemned by other honorable senators. Speaking personally, it is not a Bill over which I can enthuse. I will admit that it has been framed by a skilful mind. Perhaps it is the very embodiment of the wisdom of the wise, but I cannot bring myself to believe that it will realize the expectations formed of it by the framers. I am satisfied that no system other than that of collectivism will be a cure-all for trusts. The anti-socialistic - individualistic - capitalistic system has had a long and varied trial. It is going to decay. I hope the time will soon arrive when there will be substituted for it some more scientific system. Like Senator Pearce, I am extremely desirous to hasten that time, but I am prepared to give this Bill a trial, and if it realizes the anticipations of its framers, no one will be more surprised than those who think with me in regard to the present system of society.

Debate (on motion by Senator DE LARGIE) adjourned.

Senate adjourned at 12.27 p.m.

House of Representatives.

Friday, 17 August, 1906.

Mr. SPEAKER took the chair at 10.30 a.m., and read prayers.

CASE OF CAPTAIN STRACHAN.

Mr. BROWN.—Has the Prime Minister received from Captain Strachan a communication asking that costs be not claimed in the case in which a non-suit was granted against him, because of the plea of non-liability raised by the Commonwealth Government, and requesting an investigation into the whole matter? Is it intended to claim costs?

Mr. DEAKIN.—I have received a letter asking that costs be not insisted upon. It may—though I do not remember that it does—contain a request for an investigation. The papers have been referred to the Law Department

GENERAL POST-OFFICE, SYDNEY.

Mr. JOHNSON.—I wish to know from the Postmaster-General if he has any objection to laying on the table of the Library the papers containing the report of the Acting Chief Clerk in the General Post-office, Sydney, relating to the working of the office?

Mr. AUSTIN CHAPMAN. — There might be an objection to the production of merely the report of the Acting Chief Clerk, but there is no objection to laying the full file on the table of the Library.

Mr. JOHNSON.—In which the report of the Acting Chief Clerk will be included?

Mr. AUSTIN CHAPMAN.—Yes.

TELEPHONE GIRLS.

Mr. PAGE.—I wish to know from the Postmaster-General if it is correct, as stated in this morning's *Argus*, that the Acting Secretary to his Department has said that telephone girls who have conscientious objection to working on Sundays will be sent to the country districts?

Mr. AUSTIN CHAPMAN.—I cannot answer that question until I have consulted the officer referred to, but I shall endeavour to supply the information on Tuesday next.

Mr. MAUGER.—Will the Postmaster-General take steps to see that the conscientious objections of all public servants, male and female, are properly respected?

Mr. AUSTIN CHAPMAN. — Undoubtedly.

DUTY ON HARVESTERS.

Mr. JOHNSON.—I desire to ask the Attorney-General the question relating to a statement by the Minister of Trade and Customs in reference to the valuation of Massey-Harris harvesters, standing in the name of the honorable and learned member for Parkes?

Mr. ISAACS.—I think that the honorable member will see that his question might properly be addressed to the Minister of Trade and Customs, who will be here during the day.

QUEENSLAND POSTAL REVENUE.

Mr. PAGE asked the Postmaster-General, *upon notice*—

1. What was the excess of expenditure over revenue in the Postmaster-General's Department in Queensland for the year 1905-6?
2. What was the amount of revenue derived from commission on money orders, poundage on postal notes, and telegraph and telephones?

Mr. AUSTIN CHAPMAN.—The answers to the honorable member's questions are as follow:—

1. Including expenditure for new works, the excess of expenditure over revenue was £79,203.
2. £125,387, namely, commission on money orders and poundage on postal notes £9,677, telegraphs £82,073, telephones £33,637.

IRON INDUSTRY.

Mr. RONALD asked the Minister of Trade and Customs, *upon notice*—

Whether he will present to the House the Tariff Commission's Report on the Iron Industry immediately or at an early date?

Mr. DEAKIN.—I do not know whether the reports alluded to are those relating to harvesters and agricultural implements already on the table. No other reports have been received. I ask that the question be given notice of for Tuesday, and be made more definite.

ADMINISTRATION OF PAPUA.

O'BRIEN CASE.

Motion (by Mr. BAMFORD) agreed to—

That there be laid on the table of the Library a copy of the report of Judge Murray in the O'Brien case in New Guinea; also a copy of the instructions issued to Judge Murray in connexion with this case.

RICHMOND CASE.

Motion (by Mr. BAMFORD) agreed to—

That there be laid on the table of the Library a copy of the preliminary and the final reports of Messrs. McLachlan, Garran, and Miller, concerning the Richmond case in New Guinea.

NEW HEBRIDES.

Mr. JOHNSON.—I wish to ask leave to move, without notice, a motion standing in my name under the heading of general business, which I think the Prime Minister will not oppose, but which I am not likely to be able to get at unless this course is permitted. It asks for a return relating to the trade of the New Hebrides.

Mr. DEAKIN.—I think that it will be unnecessary for the honorable member to move that motion, because I am willing to give him next week all the information available, though reference will have to be made to the New Hebrides for replies to some of his questions.

ELECTORAL VALIDATING BILL.

Motion (by Mr. GROOM) agreed to—

That leave be given to bring in a Bill for an Act to validate the electoral divisions of the State of New South Wales.

Bill presented, and read a first time.

COPYRIGHT BILL.

Motion (by Mr. DEAKIN) agreed to—

That leave be given to bring in a Bill for an Act to amend the Copyright Act 1905.

BUDGET.

In Committee of Supply:

Debate resumed from 16th August (*vide* page 2997), on motion by Sir JOHN FORREST—

That the item, "President, £1,100," be agreed to.

Mr. FISHER (Wide Bay) [10.40].—Last night I made reference to the fact that in the discussion of the financial problems of the Commonwealth on this year's Budget, a more national sentiment has been expressed than has been given utterance to on any previous occasion in the history of this Parliament, and it is to our credit that so many honorable members have devoted time and attention, and I presume have incurred some expense, to the production of schemes for solving the question of how best to take over the debts of the States. It is not my duty, nor would it be of much advantage to the Committee if I were, to express my opinion of the individual efforts which have been put forth in this direction. From my point of view, the bolder the scheme the more successful it will be. Political backbone means more in this matter than financial genius. The leader of the Opposition stated, during the Convention debates, and his statement has since been repeated here, that if the Commonwealth took over the debts of the States, it would make a present to the bondholders of the difference in interest.

Mr. JOSEPH COOK.—That is, before conversion.

Mr. FISHER.—Yes. But the States did not federate with a power greater than themselves. The Federation is made up of the six States which were formerly independent colonies, and the Constitution contains a provision which practically calls upon the Commonwealth to see that the credit of no State is injured, and that the credit of the Commonwealth is not injured through injury to the credit of a State. The Constitution having thus empowered the Commonwealth to stand by any State which may be in difficulties, the credit of the Commonwealth has practically been given to the weakest State, so that it seems to me not to make any difference whether the Commonwealth takes over the States debts now, or merely guarantees them

under the constitutional provisions requiring it to see them through any difficulty. The national sentiment of Australia will never allow the debts of any State to be repudiated or its credit to be depreciated.

Mr. McWILLIAMS.—The credit of the smaller States is as good as that of the larger States.

Mr. JOSEPH COOK.—The Tasmanian 3 per cents. are higher than the Queensland 3 per cents.

Mr. FISHER.—That may be so, but it does not affect my argument. I am pointing out that no State will be allowed to go under, and that the credit of the Commonwealth is no greater than the mean of the credits of the States.

Mr. JOSEPH COOK.—All the authorities concur as to that. The Commonwealth has no credit at present over and above the credit of the States.

Mr. FISHER.—That is so. The leader of the Opposition, however, stated in the Convention that the Commonwealth would make a present of the difference between Commonwealth interest and States interests if it were to take over the debts of the States at the present time.

Sir JOHN FORREST.—That was acknowledged by all those whom I consulted upon the subject in London.

Mr. FISHER.—But does not the Treasurer see the fallacy underlying that?

Sir JOHN FORREST. — No; because one class of securities is negotiable, and has the authority of the Commonwealth behind it.

Mr. FISHER.—But does not the Treasurer know that the Commonwealth would be bound to meet, to the utmost farthing, every engagement of the States?

Sir JOHN FORREST. — However reckless they might be?

Mr. FISHER.—It is not a question of recklessness. The Constitution makes the necessary provision. The Commonwealth is no stronger than those who have made it, and can never permit any portion of the States debts to be repudiated. I belong to a party that has been accused of endangering the credit of the Commonwealth, but I declare that, so far as I am concerned, not a single obligation of the States shall be repudiated, whilst the Commonwealth can provide the necessary assistance. It is illusory to say that if we take over the States debts now we shall make a present to the bondholders.

Sir JOHN FORREST.—I say that we shall be making a present to them.

Mr. FISHER.—We may improve the security, but the States joined the Union with that very object in view. We are bound to see the States through, and the best thing we could do would be to take over their debts forthwith, and arrange for the payment of the interest to the bondholders.

Mr. PAGE.—The Prime Minister based one of his strongest arguments upon the proposed transfer of the States debts to the Commonwealth when he asked Queensland to join the Union.

Mr. FISHER.—Just so. The States are all members of the one family, and the whole resources of the Commonwealth should be behind their securities. Any disadvantage that might result from our giving greater security to the bondholders would be more than compensated for by the benefits that would be derived if we dealt with this matter forthwith in a national spirit.

Sir JOHN FORREST.—Has the honorable member any plan of his own?

Mr. FISHER.—I am not here to submit a plan, but I would suggest that the main thing that is necessary in dealing with this question is a little political backbone.

Mr. McCAY.—Does the honorable member mean that the Treasurer should shake himself free of the Labour Party?

Mr. FISHER.—The only way in which this matter can be effectively dealt with is for a strong man who knows exactly what is required to put forward a proposal, and take the full responsibility of his action. If, on appealing to the people, he can secure the approval of the majority, he can go right ahead with his scheme, and carry it to a successful issue. I know of no other way of settling a question of this kind. I have no confidence in conferences and boards. Finally, the whole question must be settled by the members of this Parliament, who are directly responsible to the people. During the last session of this Parliament, we are entering upon a financial path that may lead us into the gravest difficulties, if not disaster. The Treasurer thinks imperially in regard to matters of finance—he thinks in millions.

Sir JOHN FORREST.—I have had more experience than the honorable member.

Mr. FISHER.—I quite agree with the honorable gentleman, and I trust that he will have much further experience. I am making no charge against him.

Sir JOHN FORREST.—The honorable member seems to infer that I am an extravagant person.

Mr. FISHER.—That was never in my mind. The right honorable gentleman was a child of fortune in his own State. When he ruled the affairs of that State so well there was a great boom in Western Australia. He has also been a child of fortune here. He came into office immediately that the revenue began to recover after the recent severe drought.

Sir JOHN FORREST.—There was an increase of £413,745 in the revenue last year as compared with the previous year.

Mr. FISHER.—But the revenue is continuing to increase. There is a difference between rising to the crest of the wave and starting to fall after the wave has reached its maximum height. The Commonwealth was launched at a time of difficulty and distress, and we started on our financial career upon sound lines. We should not in times of prosperity imagine that the revenue will go on increasing indefinitely. Since the Treasurer made his Budget statement another body not directly responsible to the people has brought down a financial policy which will have the effect of entirely upsetting the Treasurer's estimates of revenue. How will the Government face the situation? In the States Parliaments when Ministers are embarrassed by financial proposals with which they disagree, but which are accepted by Parliament, they decline to carry on the Government. It has, however, been the rule here to deal with financial matters with the utmost freedom. When the Tariff Commission recommended alterations in the duties which it was estimated would result in a loss of £90,000 per annum, honorable members agreed to the proposals, and the Government had to accept them. The Commission may make similar proposals with regard to a hundred or more items, and the Treasury may be sadly depleted. What could the Government do in such a case? They are sadly hampered by the restrictions imposed upon them by the Constitution, and they should at least proceed with extreme caution. I do not think that this is a fitting time for the consideration of Tariff proposals that may involve a heavy loss of revenue. If the Treasury were seriously depleted as a result of the adoption of amendments in the Tariff such as those dealt with yesterday, the Treasurer would be in a difficulty that could not be over-

come by smooth words. I make no charge against the Government, because they have been tied hand and foot owing to the policy adopted by the Opposition. The leader of that party stated that if the Tariff Commission brought down any proposals upon which they were unanimously agreed he would support them.

Mr. McWILLIAMS. — The Government should not take its policy from the leader of the Opposition.

Mr. FISHER.—That is not the question. I am dealing with a matter of the very first importance. We cannot escape our responsibilities. We should not deal with the finances as if we were a lot of children. This is the very worst possible time at which we could deal with the proposed alterations of duties. We are not being asked to adopt the proposals of Ministers fully sensible of their responsibilities with regard to the finances, but to act at the instance of an outside body that is responsible to no one. The idea of introducing penny postage is a grand one, and I agree with the Postmaster-General that one of the objects of the Federal union was to bring about uniformity in this and other matters. But can we afford to do so now?

Sir JOHN FORREST.—Yes.

Mr. FISHER.—I am exceedingly glad to hear it. That statement entirely fits in with the arguments I am about to advance. What is the question of first importance before this House which has not yet been dealt with? What is the question upon which successive Governments have appealed to the country, and upon which they have practically commanded the unanimous support of honorable members? Undoubtedly it is that of old-age pensions. Where is the policy of uniformity in that connexion? In the manifesto which was issued to the electors by the first Prime Minister, Sir Edmund Barton, it was stated that that question was urgent, that it was necessary, that it should be dealt with, and that the Government were entirely in favour of the proposal. Yet nothing has been done to give effect to a workable scheme. Instead we find the Ministry urging the need for uniformity in our postal service—a proposition which certainly has something to commend it—and ignoring this more urgent and vital question. What about the poor unfortunates who, during the past five years, have had the stigma of pauperism attached to them, and who are being permitted to go

down to their graves in that condition? Evidently the Government believe in uniformity in small matters, but in great questions that consideration finds no place in their programme. As far as I am personally concerned, I believe that penny postage must ultimately be adopted. But the matter is not urgent, and the system need not be initiated until we have dealt with the Braddon section of our Constitution and with the bookkeeping provisions.

Sir JOHN FORREST.—It need not be dealt with, I suppose, until a more convenient season?

Mr. FISHER.—The Treasurer himself has asked what was the object of Federation, if it was not to bring about uniform privileges. If there be any force in his contention, surely it is applicable to the question of old-age pensions. I wish now to direct attention to the misapprehension which exists in regard to the sugar bounty. In a leading article which it published upon the 3rd instant, the *Argus* fell into a grievous error regarding this matter. Not only did it quote old figures, but it made statements which were not in accordance with facts, and which ought not to have appeared in a journal of such standing. I wish again to point out that the sugar industry is an agricultural industry, which is being carried on in a tropical country by means of white labour. Practically it constitutes the first experiment of the kind in the world.

Mr. DEAKIN.—Cotton is being grown by white labour in the tropical regions of America.

Mr. FISHER.—When the industry was started in Australia, it afforded the first object-lesson in the world of a tropical enterprise being carried on by means of white labour. I admit that the white growers of Queensland receive a protection of £5 per ton. The whole question, to my mind, is whether that is too high a measure of protection or not. For the honorable and learned member for Angas to argue, as he did last night, that the Commonwealth is annually giving away a large sum of money out of the revenue to support the industry, is too absurd a proposition to debate. The reason why this Parliament sanctioned the payment of a bounty was to insure that the white growers should receive the benefit which we intended that they should secure.

Sir PHILIP Fysh.—How much have we given them? More than £1,500,000.

Mr. FISHER.—The honorable member is quite wrong. For every £2 that we have given to the white growers of sugar in Queensland they have paid £3 into the Treasury.

Mr. McWILLIAMS.—But we give them a 50 per cent. Tariff on top of that.

Mr. FISHER.—If the Tariff is too high, let us attack it in a straightforward manner. It is extremely to be regretted that honorable members who are perfectly honest in their intentions, but who misunderstand the position, should make statements which have the effect of misleading persons who have no opportunity of becoming familiar with the facts. The *Argus*, in discussing this matter, said—

It is a notable fact that the policy—meaning the White Australia policy—

has not been to drive black labour out of the fields, but only to stimulate the growth of sugar by white labour at the expense of the imported article.

That is not correct. The article then goes on to quote old figures which are misleading. When this matter was previously under consideration, I stated that the current year would afford a true test of the efficacy of the policy which has been indorsed by this Parliament. I repeat that statement, and I venture to say that during the present year fully 70 per cent. of the whole of the sugar output of Queensland will be produced by white labour.

Mr. KELLY.—Will there not also be an enormous increase in the bounty?

Mr. FISHER.—As I have already endeavoured to explain, for every £2 which the planters receive by way of bounty, they have to contribute to the Treasury £3 by way of Excise.

Mr. KELLY.—What is the increased percentage of white labour employed in the cane-fields? The increase of the bounty is about 80 per cent. or 90 per cent.

Mr. FISHER.—The increase in the production of sugar by white labour last year would represent quite that percentage. This year the increase will represent 150 per cent. Last year 50,000 tons of sugar were produced in Queensland by white labour, whereas this year the production will be 125,000 tons.

Mr. McWILLIAMS.—How much will be produced by means of black labour?

Mr. FISHER.—About 53,000 tons. In No. 1 district, which embraces an area to the north of Townsville, and within the tropics, the production will be 31,650 tons.

In No. 2 district, which covers the Burdekin, and the delta behind Bowen and Mackay, 34,000 tons will be produced; in No. 3 district, which includes my own constituency, the production will be 52,000 tons, and south of that it will aggregate 7,350 tons. In the light of these figures, those who have consistently supported the policy of a White Australia must feel exceedingly pleased. I had intended to quote the resolutions which were passed by various bodies in Queensland at the time that legislation was introduced, but perhaps it would be unwise for me to do so. Even men of experience, who were resident in my own district, declared that it was impossible for the industry to be successfully conducted exclusively by white labour.

Mr. TUDOR.—Every Chamber of Commerce said the same thing.

Mr. FISHER.—A Chinese opera would not be more interesting, in the light of the figures which I have just quoted, than would be a perusal of the communications which reached us from various organizations. I wish that honorable members, before declaring that Queensland is deriving an undue benefit from the operation of the bounty, would investigate the facts for themselves. I have never denied that this Parliament has done justice to Queensland, but I do think it is to be regretted that misleading statements in connexion with the sugar bounty should be so frequently repeated. I come now to another question. A few days ago we were assured by a leading journal in this city that a large number of the members of the Labour Party in this Parliament were returned by minority votes. The newspaper in question published certain tables with a view to supporting its statements. This circumstance stimulated me to institute a comparison between the number of votes polled in Victoria at the last Senatorial election by the *Argus* four, as against the four labour candidates. I find that the votes polled for the *Argus* candidates were as follow:—Sir John McIntyre, 84,699; Mr. Derham, 81,912; Colonel Templeton, 74,062; and Mr. Smith, 81,875, or a total of 312,548. The Labour candidates polled the following number of votes:—Findley, 88,614; Solly, 80,593; Barker, 76,039; and Lemmon, 73,245. They polled a total of 318,491 votes. The *Age* also ran a "ticket," and the votes scored by its candidates were as follow:—Best, 97,693; Styles, 85,287; Dow,

68,123; and McCulloch, 58,284, making a total of 309,387. The Labour Party polled the highest number of votes, namely, 318,491, but succeeded in securing the return of only one member. The *Argus*, which was next on the list with a total of 312,548 votes, did not secure the return of one candidate, whilst the *Age*, which was last on the list with 309,387 votes, secured the return of two members.

Mr. McWILLIAMS.—The candidate who headed the poll was not included in any "ticket."

Mr. FISHER.—That is beside the question.

Mr. KENNEDY.—I think that it affects it.

Mr. FISHER.—I do not care to attack a newspaper, but I should like to ask what other journal would have resorted to the contemptible tactics adopted by the *Age* in connexion with the candidature of Senator Trenwith. Does the honorable member for Moira claim that the votes polled by Senator Trenwith should be credited to the *Age* "ticket?"

Mr. KENNEDY.—No, but I say that the figures quoted by the honorable member do not give a true reflex of the position. The honorable member should take the total number of votes polled.

Mr. FISHER.—The same argument might be used to explain away various difficulties. I do not object to the occasional curtain lectures which the *Age* gives the Labour Party, for they really assist us. Newspaper criticism has no terrors for me. At one time the Labour Party used to revel in it, and I certainly think that far too much attention is paid in this Parliament to the views of the press. The figures I have quoted afford a complete answer to the charge of minority representation made against the Labour Party by the *Age*. As a matter of fact, its own candidates were elected on a minority vote, and if they have any qualms of conscience in this regard they ought to resign. I wish now to direct attention to the position occupied by New South Wales—the dear old mother State—and its "city of the beautiful harbor."

Mr. DUGALD THOMSON.—The honorable member ought not to be sarcastic.

Mr. FISHER.—The reference to the "mother" State may be sarcastic, but I am not at all cynical in referring to Sydney as the "city of the beautiful harbor." I wish to draw the attention of the representatives of New South Wales to the fact

that various objections to the Federal control have been raised by that State in the narrowest possible spirit.

Sir PHILIP Fysh.—Surely not during the present session.

Mr. FISHER.—I shall give evidence in support of my contention. As the result of clamouring on the part of New South Wales the Commonwealth Government has been induced to take a step which, if not unconstitutional, is certainly unseemly. The merchants of Sydney raised an outcry that the administration of the Department of Trade and Customs from Melbourne was an injustice to them, with the result that the Minister has practically transferred a part of the administration of that Department to Sydney.

Mr. McWILLIAMS.—That was the fault not of Sydney but of the Government.

Mr. FISHER.—I may illustrate my point by mentioning that last night the Chairman of the Tariff Commission informed me that his reason for capitulating in regard to a certain matter before the Committee was that no honorable member had risen to support another proposal in which he believed. The Government apparently, for similar reasons, yielded to the clamour of the merchants of Sydney. It seems that they were prepared, if the clamouring were loud enough, to do a wrong thing in order to placate the merchants of Sydney.

Mr. LIDDELL.—That shows the weakness of the Government.

Mr. FISHER.—I agree with the honorable member. It was a concession made in a weak moment.

Mr. LIDDELL.—A concession for advantages?

Mr. FISHER.—If the step was taken in order to secure political support, it was a most contemptible one.

Mr. KELLY.—It was not taken for that reason. I do not think that the Opposition knew anything of the matter until the step had actually been taken by the Minister.

Sir JOHN FORREST.—It was done solely for departmental convenience.

Mr. FISHER.—Then what has the right honorable gentleman to say as to the position of the more distant States, Queensland and Western Australia?

Sir JOHN FORREST.—The honorable member is raising an outcry about nothing.

Mr. FISHER.—I make no serious complaint regarding the partial transfer of the administration of the Department of

Trade and Customs to New South Wales, but there is a smallness about the whole proceeding that is unworthy of the great State of New South Wales. The action of the Government in yielding to the clamour to which I have referred was also unworthy of them.

Mr. KELLY.—Did New South Wales clamour for the gazetting of an Assistant Comptroller-General of Customs? No one asked for it.

Mr. DUGALD THOMSON.—I never heard of such a demand being made.

Mr. FISHER.—The Minister of Trade and Customs agreed to administer his Department partly from New South Wales and partly from Victoria.

Mr. DUGALD THOMSON.—It was entirely of his own motion that he did so.

Mr. FISHER.—But it was to conciliate the people of Sydney, who were clamouring for the change.

Mr. KELLY.—I never heard of any clamour.

Mr. FISHER.—If, as the Treasurer alleges, the action taken by the Minister of Trade and Customs is a wise one, why should not the administration of the Department be, so to speak, perambulatory, and transferred from time to time to the capitals of all the States? As a matter of fact, the people of the other States capitals have not demanded anything of the kind.

Mr. KELLY.—Is it not reasonable to assume that, for the sake of convenience, it may be well to centralize a certain portion of the administration of the Department in the largest port of the Commonwealth?

Mr. FISHER.—If the procedure were constitutional it might be justified on that ground, but as a matter of fact it is not. The Constitution provides that, until the establishment of the Capital, the Parliament shall meet in Melbourne.

Sir JOHN FORREST.—That the Parliament shall meet, not that the Departments shall be wholly administered here.

Mr. FISHER.—Does the right honorable gentleman say that a Department may be administered in any other State?

Sir JOHN FORREST.—Certainly.

Mr. FISHER.—That meets the position I take up. If it is necessary to centralize a portion of the administration in New South Wales, it is far more necessary to adopt the same course in regard to Queensland, where we rarely see a Commonwealth Minister.

Mr. FRAZER.—And also at Perth.

Mr. FISHER.—Quite so. Why do not the Government frame a policy with a due regard for the smaller as well as for the larger States? Are they to yield only to the clamouring of the majority?

Sir JOHN FORREST.—It might be legal to transfer the administration of a Department from one State to another as the honorable member suggests, but at the same time it might not be necessary or convenient.

Mr. FISHER.—I have no doubt that the Minister considered it necessary to partly transfer the administration of his Department to Sydney, or he would not have done so.

Mr. DUGALD THOMSON.—The honorable member says that Sydney clamoured for this change. He seems to know more about the matter than do the representatives of that State. I never raised the question.

Mr. FISHER.—The honorable member will not deny that the leader of his own party, when Prime Minister, stated that he found it necessary or advisable during certain months to administer the Government from Sydney in order to conciliate the people of New South Wales.

Mr. DUGALD THOMSON.—I do not remember such a statement being made.

Mr. FISHER.—It certainly was published.

Mr. KELLY.—When was it made?

Mr. FISHER.—I shall look it up. I am speaking only from memory, and should not have referred to the statement I have mentioned but for the demand for evidence in support of my contention.

Mr. DUGALD THOMSON.—It would appear, according to the honorable member, that it is wrong for a Minister to go to New South Wales.

Mr. FISHER.—The honorable member is seeking to shift his ground. I come now to another point. Although the Constitution Bill, when first submitted to the people, contained no provision as to the site of the Capital, it was accepted by a majority of those who went to the poll in New South Wales. But for a provision inserted in the Enabling Bill by the State Parliament that there should be a certain number of votes cast in favour of the Bill, the Constitution would have been finally adopted without any reference in it to the site of the Capital.

Mr. KELLY.—The State Parliament declared that not less than 80,000 votes should be polled.

Mr. FISHER.—Not less than 80,000 affirmative votes. I blame the politicians rather than the people of New South Wales. The people themselves were more far-seeing and straightforward than were their politicians. I do not believe that the great body of the people of that State are so narrow-minded as to make all the demands upon the Commonwealth of which we hear so much. I think that the trouble arises from the clamouring of politicians. As the result of the action taken by the State Parliament, the Constitution had to be amended by the insertion of a provision as to the site of the Capital—a provision to which I do not object—before it was finally accepted by New South Wales. It would now seem that we are to be tied down to other conditions demanded by the politicians of that State.

Mr. HENRY WILLIS.—Why did not the other States federate without New South Wales? Was it not that they could not carry on without her?

Mr. FISHER.—Why did the Government of New South Wales insist that, before it joined the union, Queensland should declare in favour of it?

Mr. HENRY WILLIS.—For the good of Queensland.

Mr. FISHER.—The grand old mother State desires to direct the national policy. I speak in this strain not because of any feeling against New South Wales.

Mr. DUGALD THOMSON.—The remarks of the honorable member suggest that he has such a feeling.

Mr. FISHER.—I repeat that the people of New South Wales are not so narrow-minded as are their politicians.

Mr. DUGALD THOMSON.—The honorable member should allow their own representatives to speak for them.

Mr. FISHER.—Those who know me are well aware that I have no ill-feeling towards that State.

Mr. HENRY WILLIS. — The honorable member is exceedingly provincial.

Mr. FISHER.—That may be so, but I do not make statements in private concerning New South Wales which I am not prepared to repeat in public.

Mr. KELLY.—Do the honorable member's strictures on the politicians of New South Wales apply to his own leader?

Mr. FISHER.—I make no exception. My convictions may be wrong; but those who differ from me will have an opportunity to point out that my views of the situation are narrow, short-sighted, and oblique, and that I do not understand the New South Wales position.

Mr. DUGALD THOMSON.—We wish to know whether the honorable member is expressing the feeling of his State?

Mr. FISHER.—I am expressing the broader national feeling.

Mr. FOWLER.—And the feeling in other States too.

Mr. FISHER.—I am sorry if I have irritated honorable members. I did not intend to do so. A site was selected by this Parliament. Since then, trouble of various kinds has arisen, and faults have been committed by one and another; but we should have the matter definitely settled as soon as possible.

Mr. MCWILLIAMS.—Was it not narrowness to say that the Capital should not be within 100 miles of Sydney?

Mr. FISHER.—When two parties are bargaining, and one tries to get the better of the other, the second is entitled to defend himself by insisting on modifications. The site of the Federal Capital is an Australian, not a State matter, and why New South Wales should have insisted that, as a matter of right, the Capital should be located within her borders is more than I can understand. Her claim did not breathe a national spirit or feeling. Every true Australian must feel that the Federal Capital should occupy the best site in Australia.

Mr. KELLY.—When the honorable member voted for the Constitution on the second referendum, he indorsed the New South Wales demand.

Mr. FISHER.—I did, and I desire that the terms of the Constitution shall be carried into effect. The people of New South Wales have attempted to embarrass the situation. I wish to have the matter absolutely settled as soon as possible; but I am unwilling to have put aside what I consider to be, within the provisions of the Constitution, the best site available. I have held these views for a long time, and express them the more freely, because I have endeavoured on every occasion to assist the representatives of New South Wales in bringing the matter to an issue by obtaining a determination from this Parliament. It does not matter when the

question is dealt with, or where the site is fixed. New South Wales must in any case be benefited. What is of importance to me and to the people of Australia is that the settlement of this question will put an end to local interests and rivalries, and afford opportunities for the growth of an Australian sentiment worthy of and beneficial to the great country of which we have the honour to be citizens.

Sir PHILIP Fysh (Denison) [11.34].—I preface my remarks by saying that, in order to compass a great deal within a very short space of time, I shall not weary honorable members by the use of exact figures. In dealing with millions, one may be excused for leaving out odd thousands, or in dealing with thousands for dropping odd hundreds. By doing so, I hope to avoid wearying honorable members, and to bring my remarks on the Budget to an early conclusion. In the States, prior to Federation, the pronouncement of the Budget by the Treasurer was always one of the great events of the year. Those connected with trade and commerce, and the community generally, anticipated with interest the Treasurer's presentation of the country's balance-sheet, so that they might know what the new taxation would be, to what extent the expenditure of the past year could be approved or disapproved, and how far the servants of the public had discharged their duties properly, and were entitled to future confidence. In dealing with this Federal Budget, I desire, first of all, to thank the Treasurer for the many useful tables which have been furnished by the officers of his Department. They have saved honorable members a great deal of trouble, and most of them are indicative of very satisfactory results. The Commonwealth is to be congratulated on the fact that the revenue from Customs and Excise, and from the Post-office, Telegraph, and Telephone Departments has been well maintained. The right honorable member for Balaclava, in his first financial statement, said that he anticipated that the importation of free goods would amount to £5,000,000, but we have been told by the right honorable member for Swan that it now amounts to £14,000,000. The right honorable member for Balaclava thought that, after four or five years, a revenue of £7,500,000 would be obtained from the Tariff duties, but the facts show that in no year has the return been less than £8,700,000, while the highest return is

£9,500,000, the mean being between £9,000,000 and £9,300,000 a year. These figures are exceedingly satisfactory, because the increase in revenue shows an increase in trade and general prosperity. But, while the Tariff has proved revenue producing, it has also assisted, aided, and abetted the establishment of factories, so that our local manufacturing output is much greater now than it was prior to Federation, and the production of the country has grown year by year. The revenue of the Postal Department is now £2,800,000, there being last year a surplus of about £150,000, while the surplus estimated for this year is about £60,000, after making provision for a loss of at least £150,000 by the establishment of penny postage. But, turning to the expenditure of the country, we get a rather gloomy picture. The people of the States are not satisfied with the continued growth of the expenditure of the Commonwealth. They are doing their share in providing money for the services of Government by paying duties of 20, 25, and 30 per cent. on textiles, fabrics, jewellery, and other imports. They are doing this willingly; but they are unwilling that the expenditure of the Commonwealth shall continue to increase.

Mr. JOHNSON.—There is no evidence that they pay these high duties willingly. I think that they pay them merely because they have to do so.

Sir PHILIP FYSH.—There has been no strong expression of public opinion against the high duties of which I speak. The Tariff has forced the State to which I belong to make up a deficiency of £180,000, or more, in its revenue, in addition to requiring its people to pay high Customs duties; but I have not heard any special complaint on that score. When we go to the polls, however, a few months hence, and have to give an account of our stewardship, we shall be very closely questioned in regard to the expenditure of the Commonwealth, which, in five years, has increased by £5,000,000. During that period the surpluses paid to the States have amounted to £5,200,000, the highest return in any one year being the £1,145,000 paid in the second year of the Federation. I regret that the estimated surplus for the current year is only £331,000.

Mr. JOHNSON.—The States will probably get even less next year.

Sir PHILIP FYSH.—I have arrived at the conclusion that the Commonwealth has nearly got to the end of its tether so far as expenditure is concerned, unless the Treasurer is prepared to face a possible deficiency. With the return of £331,000 this year, Tasmania will have a deficiency of £14,900; Queensland, which has had a deficiency every year but one, will be in default to the extent of £83,000; while South Australia will have a surplus of only £4,000, and the remaining £304,000 will be divided between New South Wales and Victoria. With so small a margin as £331,000, and the expenditure growing at the rate of £500,000 a year, it must be apparent that the Treasurer will, before the end of the year, find that he has not sufficient revenue to meet the appropriations of Parliament. Having regard to our increasing expenditure, the loss by the adoption of penny postage, and the cost of the proposed bounties, there is every probability that the Treasurer next year will have a deficit.

Sir JOHN FORREST. — We shall, I feel sure, be able to prevent that.

Sir PHILIP FYSH.—I think it most probable that when the right honorable gentleman delivers his next Budget he will have to confess that one-fourth of the Customs and Excise revenue is insufficient to meet the demands made upon him.

Mr. JOHNSON.—The recent legislation of the Government is sure to bring about a result of that kind.

Sir PHILIP FYSH.—I think it most likely. Some new system of taxation will have to be devised before the next Budget statement is made, and then the Government will find themselves in a greater difficulty than they have yet experienced. It has been very easy sailing for the Government during the first six years of Federation. They have had nothing to do but to receive money and spend it. Like the wool that grows on the sheep whilst the pastoralist is sleeping, the money has been rolling into the Treasury while the Treasurer has been travelling.

Mr. PAGE.—Sometimes sheep die.

Sir PHILIP FYSH.—That is true, but in the same way that our wool has been realizing record prices, so our revenue has been increasing until it has reached record figures. I am sorry to say, however, that our financial resources, instead of being husbanded, are being gradually frittered

away. I notice that it is proposed to spend £2,000 upon new offices in London and to contribute £600 in searching the muniments of the record office in London. The work done by the late Mr. Bonwick, who for so many years served New South Wales in London—work which was paid for by New South Wales and Tasmania—has proved of very little service. Of some manuscripts that were sent to Tasmania, only a few fragments were of any special service. Mr. Bonwick searched the record office in London for many years, but his inquiries could relate only to the very early history of New South Wales and Tasmania, that is between the years 1787 and 1810, because all the records relating to later years have been kept in the States. I do not know what good could result from further search of the records in London. Then it is proposed to spend £5,000 in advertising Australia. I am aware that New Zealand, and some of the States of the Commonwealth are making themselves known in England by advertising on the railway platforms and elsewhere. I have no objection to offer to that, because I recognise that pictorial advertisements are very good; but £5,000 would prove a mere drop in the bucket if we intended to advertise properly. Commercial men know that some business houses spend £5,000, or even twice that amount every month. Then again, with what purposes are we going to advertise Australia—to bring tourists here, to attract people to our beautiful country, to show them our resources? But, while we may attract tourists, I fear that we shall not add to our permanent population. All our efforts to attract the proper class of immigrants to Australia will be futile until the States take the matter in hand. The Commonwealth can do nothing single-handed. I can quite understand the Prime Minister endeavouring to induce the States to act, but I would point out that all the States, excepting, perhaps, Western Australia, have no room except for those who can do pioneering work, as our own people did in the early days. If we had land in Tasmania to give away, we should present it to our own people. We could find hundreds of persons who would be willing to settle on the land if they had the means to do so. Unless immigrants can bring capital with them, it is useless for them to think of going on the land. Many men eke

Sir Philip Fysh.

out a miserable existence upon small holdings, because they have no capital.

Mr. JOHNSON.—What about poultry farming? Cannot they pursue that line of industry?

Sir PHILIP FYSH.—The poultry farmers and the bee farmers are very small fry, and very few of them have made any great success of their industry.

Mr. McWILLIAMS.—The Government proposed to offer a bounty to encourage the cultivation of chicory.

Sir PHILIP FYSH.—Yes; that was a gross blunder. We are already growing too much chicory. The prices offered by merchants are so low that many Tasmanian farmers have had to root out their crops. Whilst I have every sympathy with decayed men of letters, I think it is premature for us to provide £500 for their benefit. We should defer dealing with all such matters until we have settled upon our new system of taxation. We should not think of incurring such expenditure when we are threatened with a Federal land tax, which is to be added to the already burdensome imposts placed upon the land by the States. If a Federal land tax is imposed it will have the effect of throwing out of use a large area of the pastoral lands of Tasmania—lands which ten years ago were more valuable than three years ago, and which until lately were let at a rental equivalent to 6d. per lb. of the wool produced upon them, and were charged with a land tax equivalent to a 5 per cent. income tax. The land of Tasmania has been burdened in that way, and the people of the State have been called upon to pay the highest income tax levied in Australia, because of their having joined the Federation, which has spent their money too freely and recklessly. The land will not bear any further taxation. I notice also that it is proposed to purchase a trawler—

Mr. JOHNSON.—That trawler is to form the nucleus of the Commonwealth fleet.

Sir PHILIP FYSH.—New South Wales tried an experiment similar to that now contemplated by the Commonwealth, but did not make a success of it. I think that the less we incur expenditure of that kind, and the smaller the number of public servants that come under the Commonwealth, the better. We have been reckless in our finance. We may have been prudent in paying for new works out of revenue, but the extra burden that has been thrown upon

the shoulders of the people through taxation has been seriously felt. We have been reckless in our expenditure.

Mr. BATCHELOR.—In what way?

Sir PHILIP FYSH.—To the extent of £500,000 per annum. Honorable members can dissect the items for themselves.

Sir JOHN FORREST.—That is a random statement.

Sir PHILIP FYSH.—What is a random statement?

Sir JOHN FORREST.—One that is incorrect.

Sir PHILIP FYSH.—The question is, are we spending £500,000 per annum made up of items of expenditure, which might very well be deferred for a period?

Sir JOHN FORREST.—Will the honorable member indicate the items?

Sir PHILIP FYSH. — I shall not weary the Committee by mentioning them in detail. A large number of these items should not appear upon the Estimates. I am thinking of one particular item, which is increasing the expenditure of the Commonwealth beyond the figure that was indicated at the Convention. Whilst the Treasurer tells us that the cost of Federation is 1s. 10d. per head of the people of the Commonwealth, I should like to remind him that an additional 1s. 3d. per head has been expended in our efforts to preserve a White Australia.

Sir JOHN FORREST.—That is the law, and we have to abide by it.

Sir PHILIP FYSH.—No doubt, but we might have saved a large amount of money if we had adopted a wiser policy. I would point out that we have arrived at almost an equality of taxation, so far as the States are concerned.

Sir JOHN FORREST.—Not quite. There is 8s. difference between some of them.

Sir PHILIP FYSH.—Between Victoria and New South Wales there was a difference last year of only 1s. and, seeing that New South Wales and Victoria have between them three-fourths of the population of Australia, the equality between them suggests that there are no serious obstacles in the way of a return of revenue to the States upon a *per capita* basis. I am aware that there is still a difference of 6s. 7d. per head between Tasmania and Victoria, but I would point out that during the five years of Federation Tasmania has increased her revenue per head in the consumption of luxuries and semi-luxuries by 5s. or 6s.—to a very much greater degree

than has any other State—and that the revenue now amounts to £1 16s. per head. There is no serious disparity between any of the States.

Mr. DUGALD THOMSON.—We are never likely to more closely approach equality.

Sir PHILIP FYSH.—No. I doubt very much whether Tasmania, with its population of 180,000 although prosperous, notwithstanding that she does not produce large quantities of metals in the same way that the other States do, will within the next five years be very much nearer to equality with the other members of the Union. My remarks lead up to the proposition of the honorable member for North Sydney, whom I desire to thank publicly for the Federal spirit he has manifested in dealing with Commonwealth financial matters. His attitude is a sufficient contradiction to the statements which have been made that New South Wales was barring the way, and acting selfishly. In another Chamber, also, a representative of New South Wales has supported a proposal that the bookkeeping period should be brought to an end. We have had five years' experience of the bookkeeping period, and I am sure that if members of the Convention were canvassed they would tell us that the bookkeeping provisions were intended merely to give Parliament experience upon which they could base a readjustment of the finances. I have pointed out that Victoria and New South Wales are practically equal in their revenue-producing power. There is only 1s. between them.

Sir JOHN FORREST.—There is 3s. between them.

Sir PHILIP FYSH.—No; I have the figures here. Last year the revenue collected in New South Wales was £2 3s. 4d. *per capita*, and in Victoria £2 1s. 7d. This year it is estimated that in New South Wales £2 4s. 7d. will be collected; in Victoria, £2 1s. 8d.; in Queensland, £2 3s.; in South Australia, £1 16s.; and in Tasmania, £1 16s. 1d. The mean is £2 4s. 2d. Of course, Western Australia now stands in the way of the abolition of the bookkeeping provisions, just as she stood in the way of Federation until the Convention conceded her special terms. There is no reason why special treatment should not be granted to Western Australia at the present time, if her peculiar circumstances justify the adop-

tion of that course. If she will be disadvantaged by the abolition of the book-keeping provisions, by all means let us extend to her whatever terms may be necessary, but do not let her prevent us from getting rid of those provisions so that we may distribute our revenue upon a *per capita* basis. In this connexion I should like to say to the representatives of Victoria and New South Wales, that the inter-State adjustments of revenue indicate that during the past five years those States have enjoyed immense commercial and trading advantages. The trade of all the other States has had to filter through them—trade which to New South Wales means probably from four to six millions, and to Victoria from ten to fifteen millions in the six years of Federation. I have made some inquiry in this connexion, and I find that in one business of which I know a great deal, for every £100 which was formerly sent to London, only £60 is now sent there. The balance goes to Victoria and New South Wales. Surely if these States have benefited to such a large extent during the past five years, by reason of this growing trade—a fact which was admitted by the honorable member for Mernda the other evening—they can scarcely object to divide with the other States the difference between £1 16s. per head, which is the lowest amount of revenue *per capita* collected in any State, and £2 4s. which is the highest amount. I am sure that all thoughtful people will agree that we should pool the whole of the revenue from Customs and Excise, and divide it upon a *per capita* basis. We should then be in very truth a federated people. At the present time we are federated in everything except that we do not possess a common purse.

Mr. FRAZER.—Tasmania will help to spend the surplus which Western Australia pays.

Mr. DUGALD THOMSON.—The honorable member proposes that special treatment shall be extended to Western Australia.

Sir PHILIP FYSH.—I have already stated that we do not desire to take anything from that State. Let her put forward her own scheme, and I am sure that this Parliament will give it every consideration.

Mr. FRAZER.—That was not the tone adopted by the Tasmanian Premier a few days ago.

Sir PHILIP FYSH.—I should be sorry to hear that he made any other suggestion. I am quite sure that if he did so the Tasmanian Parliament would not countenance it.

Mr. McWILLIAMS.—I am quite sure that he would not ask for anything else.

Sir PHILIP FYSH.—Dealing now with the Post and Telegraph Department, I find that year by year its revenue has been growing, despite the fact that we have reduced the telegraphic rates very considerably, and send a sixteen word message from shore to shore of this great continent for one shilling. Last year the revenue from this source was £2,800,000, an increase of £186,000. During the current year it is estimated that the surplus will be £86,000, notwithstanding the anticipated loss of £150,000, by reason of the introduction of penny postage. But honorable members must recollect—as has been pointed out by the honorable member for Parramatta—that up to date, the Department has not been debited with any charges by way of rent or interest upon the capital cost of its buildings. Therefore, the actual loss incurred is still many hundreds of thousands of pounds annually. Yet, in the face of this fact, we are asked to forego a postal revenue of £250,000 annually. I know that the Treasurer has set down the loss upon penny postage for nine months of the current year at £157,000. Of that sum, £20,000 is the amount which it is estimated that Tasmania will lose. Although I have for years looked forward to the time when we would be able to afford to indulge in the luxury of universal penny postage, I recognise that we have not a sufficient surplus to warrant us in endorsing such a proposal. Therefore, I regret that at the present juncture, when we are getting so close up to the border line at which new taxation will be rendered necessary, such a policy should be initiated. The normal increase of the revenue of the Post and Telegraph Department is about 3 per cent. per annum. In 1901-2 it amounted to £2,400,000, and in 1906-7 it is estimated that we shall receive from this source £2,800,000. These figures show the normal increase of revenue in that Department. The loss which will be incurred by reason of the adoption of penny postage is purely a matter of speculation. I do know, however, that during the first year of its operation in Victoria there was

a deficiency of £100,000. Consequently, I fear that this year we shall have to say good-bye to all our Commonwealth surpluses, and that we shall be faced with the necessity of resorting to some new scheme of taxation. During the course of this debate, reference has been made to the loss which we have sustained consequent upon the adoption of the White Australia policy. Upon that question I entertain an entirely different view from that which is held by the honorable member for Wide Bay. I venture to say that our efforts in that direction have cost us £1,500,000. We have lost, by way of sugar duties, £397,000 annually, but we have gained by reason of the Excise duties £255,000, so that the annual loss sustained was £140,000, or a total during five years of £700,000. Then we have paid by way of bounty during the same period £699,000, making a total expenditure of about £1,500,000 for the purpose of preserving a White Australia. I could not understand why the honorable member for Wide Bay was so jubilant this morning regarding the increased quantity of sugar which has been produced by white labour. I find that, whereas prior to Federation there were 975 farmers engaged in the industry who employed black labour, there are to-day 837. In other words, there are now 138 white growers fewer than the number in existence prior to Federation. Probably that is due to the fact that other growers have been induced to enter the field by reason of the bounty which we have been paying. The decrease represents only about 14 per cent. during a period of five years. This points to the probability that when coloured labour becomes illegal, the 53,000 tons grown by coloured labour will be a lost production. In New South Wales alone—where only an infinitesimal change has been brought about—we have paid £187,000 in bounty to the sugar planters. These facts naturally lead to the inquiry, "When shall we reconsider our position with respect to the sugar bounty?" The present system cannot continue for all time. Next year we can have no sugar grown by coloured labour. I presume that contracts made with the kanakas will expire this year, since we have enacted that the "boys" shall not earn their living by working on sugar plantations after the end of December next. That being so, we shall probably lose the 60,000 tons of

sugar now grown by black labour in parts of Queensland where white labour cannot be employed in the industry. We are paying far too much under the present system, and I hope that the time is not far distant when our losses, by reason of this legislation, will be materially reduced. During the sittings of the Convention it was contemplated that if we gave the sugar-growers of Queensland and New South Wales the advantage of the difference between an Excise duty of £3 per ton, and a Customs duty of £5 or £6 per ton, it should enable them to establish the industry on a sound basis. But for the legislation passed by the Commonwealth in respect to coloured labour, we should have done so. Prior to Federation, Queensland was rapidly taking possession of the Australian market, and with the exception of about 20,000 tons of crystals, which are imported specially for brewing purposes, she has now full command of it. We have given her full possession of the Australian market, and no one begrudges her that advantage. I am sure we are glad to know that one of the States of the Union is able to cater so largely for our necessities in this direction. The time must come, however—and I hope that it will come speedily—when the sugar-growers of Queensland and New South Wales must rely, not upon bounties, but upon the difference—and I hope it will always exist—between the Customs and Excise duties. Having referred briefly to one or two features of the Budget, to which my attention was more particularly drawn by reason of their importance to the smaller States, I come now to the hopeful figures with which the Treasurer closed his speech. If it be true that the notes of the dying swan are more beautiful than are its notes of strength, it is equally true that the notes of the right honorable member for Swan, in closing his speech, were the most hopeful that he sounded. He gave us, in the course of a few minutes, a collection of facts with respect to the progress of Australia, and what the 4,000,000 Britishers here have done, that led one to reflect that what men have already done can be improved upon. I have no doubt that the energy of our pioneers, which has enabled us to accumulate £1,120,000,000 of wealth—

Sir JOHN FORREST.—The production of Australia is valued at about £120,000,000 a year.

Sir PHILIP FYSH.—Quite so, but I am referring to our accumulations of wealth. The savings bank returns, as well as those of the banks of issue, bear testimony to what the people, by their thrift, are accomplishing for themselves, and I should like to remind our honorable friends of the Labour Party that the achievements of Australia, to which the right honorable gentleman referred, are the result of action taken by Parliaments long before a Labour Party was known to parliamentary history. Members of States Parliaments have been seeking, day by day, and year by year, to do everything possible to aid and abet the efforts of the people to improve their position. I can say, as the result of a parliamentary experience extending over fifty years, that in no session of a State Parliament have the representatives failed to show every desire to meet the wishes of the people, to provide public works, to give them employment, to assist them to secure good wages, and to settle on the land. What more could have been done? What more have we to do? The figures submitted by the Treasurer show that New South Wales closed the financial year with a surplus of £1,000,000, and that even the weaker State of Tasmania can show a surplus of £20,000, notwithstanding that during the last five years she has had to gather in from new sources revenue to the extent of nearly £200,000 per annum. But what will be her position during the current financial year when, instead of receiving as she did last year £8,000 as her share of the surplus revenue, she will suffer a loss of £14,900? In these circumstances, the Treasurer of Tasmania instead of being able to show a surplus of £20,000 at the end of the current financial year will find that he has a debit, apart altogether from the loss of £20,000, which that State must suffer under the penny postage scheme. I am forced to allude to the position of Tasmania, since it illustrates what will be the effect on the smaller States of the Union, if the Commonwealth continues to increase its expenditure. If we relieve the people, as we have done, of taxation in the shape of duties on tea and kerosene, whilst at the same time we grant bounties to encourage various industries and increase our expenditure in other directions, Tasmania in all probability next year will have a deficiency of £60,000, notwithstanding that she has already had to seek new means of raising revenue to the extent of £200,000

per annum. The situation is becoming very serious, and I am satisfied that at the next general election candidates will be pledged by the people of Tasmania to vote against every Government that will not seek to meet the position by a proper adjustment of revenue and expenditure. In dealing with the Budget proposals, I have not digressed into the dozen or more by-ways by which a speech may be prolonged, since I am anxious to devote special attention to the more important portion of the Treasurer's proposals in relation to the conversion or consolidation of the States debts. I have read carefully all that has been written and said on this subject, and when in Cabinet, was fairly well drilled by the right honorable member for Balaclava, who presented numerous capable and thoughtful papers, evidencing much research, with reference to this question. In these papers the right honorable gentleman showed the great difficulty with which the position is surrounded. He pointed out the difficulties with respect to the varying rates of interest, and the varying periods over which the loans extended. He dealt particularly with the complications arising from the fact that if we take over only a proportion of the debts of the States, we must necessarily leave them with a certain proportion not backed up by the revenue from Customs and Excise, which was pledged under their various Loan Acts, as the source from which the bondholder would obtain payment of his interest. These are all very serious problems, the like of which never arose in connexion with the various major or minor conversions or consolidations to which effect has been given by the Imperial Parliament. When we look back at the conversion of 6 per cents. into 5 per cents. by Pelham in 1751, to the conversion of £150,000,000 made by Vansittart in 1822, to the major conversion of £250,000,000 by Goulbourn in 1844, and to that of £558,000,000 made by Goschen in 1888—and these are the major conversions that have taken place during the last 150 years—we find that no such difficulties confronted those who undertook them. Varying rates of interest prevailed, but it was found possible to consolidate and to convert. The 5 per cents. were reduced to 4½ per cent. and 4 per cent. consols. It was then that we heard of "consols" for the first time. Then we had a later conversion, under which the 4½ and 4 per cents. were reduced to 3½ per

cents. When I had the pleasure of being on the London Stock Exchange in 1847 we used to deal with the reduced 3 per cents., the 3 per cents. consols, and the $2\frac{3}{4}$ per cents. It was with these three divisions of the Imperial debt that Mr. Goschen had to deal in 1888, when he put to the Imperial Parliament the question which had been asked by all his predecessors as to whether or not it would be wise to issue 3 per cents. in place of $3\frac{1}{2}$ per cents., and to give the bonus which would be absolutely necessary under such a conversion. When a man who is receiving £3 10s. interest in respect of a bond for £100 is asked to accept only £3 by way of interest, it is natural that he should demand some premium in capital for agreeing to such a conversion. I shall refer later on to that point, and also to the remarks made to-day by the honorable member for Wide Bay, who considers that it would be exceedingly unwise to enlarge the capital responsibility by reducing the interest. It must be patent to honorable members that if we converted a 4 per cent. stock into a 3 per cent. one we could not expect to obtain more than about £80 or £85 for it, and that at the end of the period for which the loan was granted we should have to lose the difference between that amount and £100. In dealing with the proposals of the Treasurer, we have to consider whether we can convert at 3 per cent., and whether the people of the States will agree, as the honorable member for Mernda has said, to view the whole matter in a broad Federal spirit. If we can achieve these two ends everything will be satisfactory. We cannot, however, establish 3 per cent. consols on our present amount of capital debt. If the market would permit us at any time to borrow at 3 per cent. the position would be different; but we have to bear in mind that we can borrow at that rate only when the market is favorable to us. Market variations are so frequent that we seldom hear of low rates prevailing for an extended period. Whilst we might to-day float a loan of £50,000,000 at 3 per cent. on its face value of £100, five years hence the market might be completely altered. However, if the market remains satisfactory and we can convert at 3 per cent. the scheme propounded by the honorable member will prove a most admirable one. The question to be asked is whether the peoples of the States will recognise in the

Commonwealth the right to throw on them the responsibility for £2,036,000 in a period of twenty years, or £100,000 a year. No doubt the proposal is a very tempting one, since it would cost New South Wales only £45,000 a year. We are told that, at the end of twenty years, the whole responsibility will rest upon the Commonwealth. The honorable member for Mernda suggests the establishment of a sinking fund out of a saving of .6 per cent. to be made by the reduction of interest to 3 per cent., and he reckons that in sixty years the accumulated savings and interest will be sufficient to pay off the debt. Of course, the term might be made shorter by increasing the appropriations for the sinking fund. But it must be borne in mind that the money market will vary. Whilst the Commonwealth may be able to consolidate on one occasion at 3 per cent., it may on another occasion have to take £80 for £100. If it can borrow all that it needs at 3 per cent., and the people will permit us to take a responsibility of £100,000 a year, and agree to the appropriation of .6 per cent. for the establishment of a sinking fund, all will be well. But there are a good many conditions there.

Mr. HARPER.—It is certain that the Commonwealth would do better on the money market than the States could do.

Sir PHILIP FYSH. — The joint and several credits of the States will give a better security to the bond-holders than can be given by any one State. The discussion here to-day will no doubt strengthen the position of our bonds and stock in the English money market.

Mr. HARPER.—The uncertainty of the market would prejudice the States if they borrowed individually more than it would prejudice the Commonwealth.

Sir PHILIP FYSH.—Yes. It has been said that if the Government converted, consolidated, or took over the debts of the States immediately, it would put up the money market in England against itself; but I do not hold that view. No doubt the value of Australian stock would increase.

Mr. DUGALD THOMSON.—That is, the ideas of holders in regard to its value would increase.

Sir PHILIP FYSH.—Yes. Consequently sellers would get more for it; but the Commonwealth would not lose, because it would not be a buyer. It would redeem only on the face value of the bonds. On

the contrary, if the investing public raises the price of Commonwealth stock over the existing value of States bonds, then the Commonwealth will gain all the advantage when seeking in that strengthened market for new loans.

Mr. HARPER.—And would have funds to buy up bonds when they became low enough in price to make that advisable.

Sir PHILIP FYSH. — Yes. If our stock went up to 4 per cent. to-morrow, it would not injure us, though holders who could sell at that price would gain. Ten or twelve years ago I was in communication with a London actuary in regard to the management of our debts by Commissioners or trustees, and he went so far as to suggest that such persons, if appointed, should be given a lien over the revenue of the State. I replied at once that I was sure that no State in Australia, poor or rich, would give such a lien. He assured me that the arrangement which he suggested would put a gilt edge on our securities. But they will be gilt-edged because of the fact that the Commonwealth can collect its own revenue. So long as the people of England know that we are prospering year by year, and are making proper provision for the repayment of our debts, they will be prepared to allow us, as an integral part of the Empire, to borrow as much as we require for useful purposes. There is one other point with which I wish to deal. I presume that the honorable member intends to do away with the issue of bonds, and to substitute inscription, which is so simple a process as to make the other absurd. Bonds can be bought only for amounts like £100, £200, or £400, and the possessor has to keep them in his safe; but under the system of inscription, such as I provided for in Tasmania in 1894, persons can go to the Treasury, and without being put to the inconvenience of having to provide even hundreds, can advance to the Government any amounts they please. The clerk at the counter takes the money, their names are entered in a ledger, and next day they "accept" the stock, as it is called, by placing their signatures in the ledger. Thus, if any one wishes to make sure that his trustee has properly invested his money in stock, he has only to consult this ledger. Imperial stocks are dealt with in exactly the same way. A man gives his broker the necessary instructions to purchase stock, the transfer is made at the bank,

and the whole transaction is completed without any difficulty or trouble. The right honorable member for Balaclava followed the practice instituted by me, and issued inscribed stock for municipal loans in Victoria, and the same system has been resorted to in connexion with local municipal borrowing. On one occasion, in Tasmania, I borrowed £1,000,000 at 3 per cent. within a very short time without the cost of one penny. I believe that when the conversion of the States debts is taken in hand by us, we shall be able to adopt the same method that was followed in France when that nation had to pay £200,000,000 to Germany. The authorities merely invited the people to lodge their money in the public exchequer, and had nothing to do with syndicates, or brokers, or bankers. The people threw their wealth on the Treasury counter, and had their stock inscribed. We have in the past conducted our borrowing operations upon the most extravagant lines, and have been paying very exorbitantly for any work that has been done for us. During the last years of the Federal Council I brought under notice the extravagant system of borrowing that was adopted by the various States. Out of every £100 borrowed, £2 had to be paid to a syndicate, and an allowance of $\frac{1}{4}$ per cent. for brokerage, and of $\frac{1}{2}$ per cent. to the bank for inscribing the stock, had to be made, in addition to $\frac{1}{2}$ per cent. when the stock was paid off. The result was that out of every £100 borrowed we received only about £96. In addition to all this, some of the States had to pay the banks £100, whilst others paid £600, per annum for the management of the inscribed stock.

Mr. BRUCE SMITH.—Was not that because the stocks were not in demand?

Sir PHILIP FYSH.—No; whether the stocks had been in good demand or not, we should have had to pay the bank for looking after the inscribing of the stock. When I was in London some years ago, I learned from our bankers that the operations in our stocks were largely increasing. I hope that the Treasurer will be able to afford us some information as to the changes by means of transfer and new purchases that have taken place during the past few years. I think that he will find that our stocks are becoming popular, and that not only trustees, but dealers, and others who invest for only a year or two are taking them up. I tender my hearty

thanks to the honorable member for Mernda, as well as to the right honorable member for Balaclava, and to the honorable member for Kooyong, for the attention that they have devoted to this very important subject.

Mr. HENRY WILLIS.—The honorable member has said nothing as to future borrowing by the States.

Sir PHILIP FYSH.—I think that it must be recognised that once the States debts are consolidated, the States must not borrow in the open market. They must recognise the necessity of placing themselves under some restriction, but I am not sure as to how they can surrender their sovereign power.

Mr. DUGALD THOMSON.—They are not in the mood to surrender anything more at present.

Sir PHILIP FYSH. — I am afraid not. They may not be inclined to renounce their right to borrow, and I am sure that there is no hope—and thank God for it—of their giving up their railways. The Commonwealth would be rearing up a very Frankenstein if it took over the railways, and added to the already numerous list of public servants 60,000 or 70,000 railway employés. The idea of the Commonwealth taking over the railways is monstrous. If the States, however, choose to pledge their railway revenue for certain purposes that will be another matter. The difficulty is that, although a State may renounce its borrowing rights to-day, a subsequent Parliament may repeal the act of renunciation. I think that the States will have to consent to refrain from borrowing except from their own people, or through the Commonwealth. They cannot expect to borrow through the Commonwealth, except for the purpose of carrying out approved works. They should not in any case come into the open market in competition with the Commonwealth. Whilst we have not done anything of a practical character, so far as the States debts question is concerned up to the present time, we have ventilated the subject, and have imparted a tone to the discussion which I hope will develop into that high Federal spirit we all desire to see manifested when we are dealing with the affairs of the Commonwealth. I believe that when the bookkeeping period is abandoned, when the revenue of the Commonwealth is distributed *per capita*, and the States debts are taken over regardless of

the consideration that one State may have to undertake a little more responsibility than another, we shall have reached the goal which we have been striving for years to attain, and shall have achieved the true unity which was held in view when the Commonwealth was established.

Mr. McWILLIAMS (Franklin) [12.47].

—I am one of those who view with considerable alarm the increasing expenditure of the Commonwealth. I know that this is not a very popular view to take, so far as this Chamber is concerned, because the moment one mentions Commonwealth expenditure he is told that the States should retrench. I would, however, direct attention to the fact that the Federal expenditure is increasing enormously year by year, and that we shall have to absorb the whole of the revenue at our disposal before we have taken over many of the functions which we shall soon be called upon to discharge. We shall soon be face to face with the necessity of either curtailing our expenses very considerably or imposing direct taxation. We commenced under Federation with an annual expenditure of £3,733,000, whilst next year it is proposed to expend something like £5,000,000. So far as Tasmania is concerned, every Department that the Commonwealth has taken over has involved increased expenditure; and just as there has been a reform movement in several of the States in the direction of cutting down expenditure, I am convinced that in the near future the taxpayers will demand that we shall similarly economize. In spite of all that has been stated with regard to the successful operation of the sugar bounty, the employment of black labour has not been dispensed with. We are, however, closely approaching the time when the planters must cease to employ kanakas in the cane-fields. At the end of the present year the kanakas will practically disappear from the sugar plantations of Queensland. We shall then be in a position to remove the hybrid system of duty, excise, and bounty, which now obtains.

Mr. WATSON.—Would an Excise have been imposed upon sugar if black labour had not been employed in its production?

Mr. McWILLIAMS.—I think not. Except from a revenue stand-point there is no more reason why an Excise duty should be levied upon sugar than upon any other Australian product. Digitized by Google

present year the employment of kanakas will have practically ceased, and we shall then be in a position to deal with the production of sugar in exactly the same way that we deal with the production of any other Australian commodity. I am quite prepared—seeing that up to the present time this Parliament has adopted a protective policy—to extend to the sugar planter of Queensland the same measure of protection which is accorded to other producers. But, apart from the stand-point of expediency, there is no reason why an Excise should be charged upon sugar, or why a bounty should be paid upon its production.

Mr. DAVID THOMSON. — What has the bounty to do with the matter?

Mr. McWILLIAMS.—My point is that if it had not been for extraneous circumstances connected with the desire of Australia generally to foster the employment of white labour in Queensland, we should never have imposed an Excise duty upon sugar and have provided for the payment of a bounty out of that Excise.

Mr. DAVID THOMSON.—At the present time the consumer is called upon to pay no more for his sugar than he would do if there were no bounty operating.

Mr. McWILLIAMS.—If it had not been for the employment of kanaka labour in the cane-fields, this Parliament would not have levied a Customs duty of £6 per ton upon sugar. It would not have reduced that duty by imposing an Excise of £3 per ton, and have afterwards paid a bounty of £2 per ton.

Mr. DAVID THOMSON.—It is the Queensland planters who pay the Excise.

Mr. McWILLIAMS. — Now that we have practically abolished kanaka labour, I desire that sugar should be dealt with in the same way as any other Australian product. We have already decreed that the kanakas shall be repatriated, and we are therefore in a position to face this question fairly. I say that we should abolish both the Excise and the bounty, and impose such a duty upon sugar as the circumstances of the case warrant, if the revenue will permit. To my mind, there is something wrong in the fact that sugar which is the raw material of one industry should be called upon to pay the enormous duty of £6 per ton—which is equivalent to an impost of 50 per cent.—when its price in Australia is 33 per cent. more than it is in countries where it is not produced. To-day sugar is £4 or £5

per ton dearer in Australia than it is in England.

Mr. DAVID THOMSON.—Is that the result of the operation of the Customs duty?

Mr. McWILLIAMS.—I believe that the planters themselves are quite willing that we should deal with the sugar industry in the way that I have suggested. They have no desire to continue paying an Excise duty, and I am firmly of opinion that the moment kanaka labour is abolished, we shall be deprived of any justification whatever for continuing either the present Excise duty or the payment of the bounty.

Sitting suspended from 1 to 2 p.m.

Mr. McWILLIAMS.—With regard to penny postage, I desire to say that I am unable to support the proposal of the Government at the present time. It would perhaps be an exceedingly pleasant thing to adopt penny postage, as it would be to have a great many other luxuries, but I think we shall have to postpone it. The estimate of the Deputy Postmaster-General, Hobart, shows that, allowing for an increase of letters to the extent of 20 per cent., penny postage would mean a loss to Tasmania of £22,000 per annum. To some of the larger States a loss of £22,000 might not be considered very serious, but a small State like ours, especially in the financial position in which she now is, I say emphatically cannot surrender so large an amount. Even if she could, I believe there are other directions in which £22,000 could be more profitably spent, even in connexion with the Post and Telegraph Department. If we could spare so large a sum, it would be infinitely better for the Government to spend it in extending post-offices, and especially telephones, in the back-blocks. I have always held that, while we make large professions about our desire to assist land settlement, there are not many ways in which Commonwealth policy can operate in that direction. But we can assist by giving those who go into the interior, and shut themselves off from many of the advantages of civilization—God knows their life is not too happy—some of the benefits which are enjoyed by those who live in the more settled portions of the country. By extending telephones and post-offices, it is within the power of the Commonwealth to assist them to some extent. The amount which the Commonwealth is asked to surrender by establishing penny postage—be-

tween £200,000 and £250,000 per annum—might, if it is to be spent at all, be much more advantageously devoted to the useful purpose I have indicated. I am exceedingly pleased to find that there are at last in this Australian Parliament men who are awakening to the knowledge of the financial position of some of the smaller States. It is indeed a most hopeful sign to find men like the honorable member for Mernda and the honorable member for North Sydney, representing the larger States—

Mr. WILKINSON.—There are some on this side of the House, too.

Mr. McWILLIAMS.—I am speaking of representatives of the larger States, which will be called upon to make a certain amount of sacrifice. It is hopeful, I say, to see such men coming forward in a most generous and Federal spirit, recognising that the time is at hand when the financial strain that is being borne by such States as Queensland and Tasmania must receive recognition at the hands of the Commonwealth Parliament. I am sure that the members from Queensland, like those from Tasmania, would utterly refuse to approach the Commonwealth Parliament in the position of paupers. Personally, rather than see my own little State surrender her independence and self-respect by coming cap in hand to the Federal Parliament, I would see fifty Federations wrecked. I should prefer that we returned to the position in which we were before Federation. I should like to see our genial friend the Treasurer become Treasurer of Tasmania or of Queensland for twelve months, and let him have to provide the funds to keep such a State going. Whatever other States may have done in the direction of reducing expenditure, the Government of Tasmania has retrenched in every possible direction. We pay our Members of Parliament the magnificent sum of £100 per annum. We pay our Ministers £600 a year, and the officers of Parliament in a proportionate rate. The salaries of our civil servants range from 33 to 75 per cent., and even down to 100 per cent., below those paid in the larger States. Men like our railway employés, our police, and our State school teachers, especially those in the lower-paid branches, are receiving salaries of which some of us are ashamed. But owing to the financial situation that

has been brought upon us in consequence of Federation, we find it to be absolutely impossible to increase those salaries. That is not because we have not attempted to face the position. Tasmania is receiving in Customs revenue from the Commonwealth Treasurer about £247,000 per annum; whilst, if we reverted to the Tariff that was in existence before Federation, our receipts would be £600,000 per annum. What would immediately happen if one of the larger States, Victoria or New South Wales, had been placed in such a financial position? The direct taxation in Tasmania which before Federation was 12s. 10d. per head, has now been increased to £1 4s. 3d. per head, the highest rate in any State of the Commonwealth. We have had nearly to double our direct taxation to make up the deficiency through the reduction of our Customs revenue. In addition to that, the Tasmanian Government has imposed the heaviest land tax in Australia.

Mr. BRUCE SMITH.—Has not the Customs revenue *per capita* decreased proportionately with the increase in direct taxation?

Mr. McWILLIAMS.—The position is that in Tasmania, before Federation, we had a Tariff levied solely with the object of producing revenue. Our maximum duty was about 20 per cent.

Mr. McCAY.—What was the amount per head?

Mr. McWILLIAMS.—Prior to Federation our Customs revenue amounted to 80 per cent. of the total revenue of the State.

Mr. McCAY.—That is about 50s. per head.

Mr. McWILLIAMS.—It is something like that. We had an all-round Tariff.

Mr. McCAY.—What is it now?

Mr. McWILLIAMS.—About 36s. per head.

Mr. McCAY.—That is a reduction of about 14s. per head.

Mr. McWILLIAMS.—If honorable members think, as some appear to do, that what has been lost to the Tasmanian Treasury has been saved to the people, they make a very great mistake. For instance, take the item boots. Before Federation we had a duty on boots, from which we derived a considerable revenue. But now practically the whole of the boots purchased in Tasmania, especially in the heavier classes, are imported from Victoria, and, while the price to the consumer is

practically about the same, the State Treasury has lost the whole of the revenue which it formerly received. Our imports from the mainland pay no duty. Moreover, owing to the fact that there is a duty operating against English, American, and German goods, whilst those manufactured in New South Wales and Victoria are admitted free, the result has been practically to drive English and foreign goods out of the market. I am very pleased for many reasons to see our requirements being met by Australian productions. But to Tasmania the loss of revenue which it entails is a very serious matter indeed. Tasmania has done all it possibly could in the direction of cutting down the expenditure and imposing direct taxation. The land tax in the State is infinitely heavier than any land tax on the mainland. The capital value of the land, the buildings, and all improvements are taxed. It is a graduated tax, without exemption. It ranges from $\frac{1}{2}$ d. in the £1 on properties up to £5,000, to 1d. in the £1 on the value of larger properties. If my honorable friends in the Labour corner think that by imposing a land tax throughout Australia, they will burst up the big estates, I can tell them that their proposal would not yield one-half of the revenue which is derived from the land tax in Tasmania.

Mr. SKENE.—But the Federal land tax is to be superimposed upon the State tax.

Mr. McWILLIAMS.—That is where the unfairness of a proposal of that character would come in.

Mr. BRUCE SMITH.—The declared purpose of the land tax makes it an absolutely immoral and dishonest proposal.

Mr. McWILLIAMS.—What uniformity could there be if a Federal land tax were imposed in a State which, so far as we can see, has already taxed its lands up to the utmost limit?

Mr. KING O'MALLEY.—How much land tax per annum does the Van Diemen's Land Company pay on its 280,000 acres?

Mr. McWILLIAMS.—My honorable friend has given a very good example. The biggest land company in Tasmania so far as area is concerned is paying a cheque of over £1,100 per annum to the State as a land tax. I know the desire of my honorable friend to see these properties held in small areas—a desire in which I think practically every honorable member

joins—but he will admit, I think, that that is a very substantial tax for a company to pay. If, in addition to that impost, it were saddled with a Federal land tax of £2,000 a year, the impost would cease to be land taxation. It would be, in effect, confiscation.

Mr. KING O'MALLEY.—How could it be confiscation if the company could sell its land and get out?

Mr. McWILLIAMS.—The lands of Tasmania are also subject to a municipal rate of 1s. in the £1 on the annual value. That is what is called in Victoria a shire council tax.

Mr. McCAY.—Is that included in the 24s. 3d.?

Mr. McWILLIAMS.—No.

Mr. McCAY.—In Tasmania, the land-owners are very lucky. In Victoria, the municipal tax averages more than 1s. in the £1.

Mr. McWILLIAMS.—On the top of all that Tasmania has had to impose what is called an Ability Tax. The State takes the annual value of a man's house, and on that basis computes his income. Graduating from 1d. up to 6d., it is, I suppose, the heaviest impost under an income tax in the southern hemisphere, not excepting New Zealand. It starts without an exemption, and is graduated. From the Ability Tax the State derives nearly twice what it obtained from an income tax of 6d in the £1 on personal exertion, and 1s. in the £1 on realized wealth. If it be taken as an income tax it is the heaviest of which I am aware, especially on small moneys. Tasmania having cut down its expenditure to the utmost degree, and levying taxation more drastic in character than does any other country in the southern hemisphere, even including New Zealand, the Commonwealth has reached breaking point, so far as any further demand upon the State's resources is concerned. When I travel about the country districts of my State, and see roads which were constructed out of borrowed money, practically going to decay because of the inability of the Government to continue subsidies for keeping them in order; when I know that the local property owners are taxing themselves to the hilt, in order to maintain the roads, and that the funds at their disposal are not sufficient for that purpose—

Mr. BRUCE SMITH.—What is the highest municipal rate in Tasmania?

Mr. McWILLIAMS.—I think it runs to about 3s. 3d. in the £1 in Hobart, and to about 3s. 4d. in the £1 in Launceston.

Mr. BRUCE SMITH.—In England it reaches 12s. and 14s.

Mr. KING O'MALLEY.—There is a much higher rate in Melbourne.

Mr. McWILLIAMS.—The rate is not nearly so high in Melbourne as in Hobart and Launceston.

Mr. KING O'MALLEY.—Let the honorable member add on the sewerage rate, and he will find out exactly what it is.

Mr. McWILLIAMS.—In addition to the burdens I have mentioned, the orchardist has to pay a codlin moth rate, and, in different parts, a water rate is levied. But that is over and above what is paid in respect of the land in order to keep the roads in repair. When I travel through the State and see the dilapidated state of public works, as compared with their condition prior to Federation; when I recollect that the sale of Crown lands is hung up in some districts because people will not settle upon them while the Government are unable to construct decent roads, I am impressed with the conviction that it is utterly absurd to talk about any system of immigration until the States have been enabled to place their own people on the soil. I am one of those who think that the best settler which a State can have is an Australian. I believe that far more good will be done by affording to young Australians an opportunity to do as their fathers did—to go back into the forest—than by spending money in bringing out immigrants while those already here are not in a position to take up land.

Mr. BRUCE SMITH.—It is protection which takes them from the land to the towns.

Mr. McWILLIAMS.—I do not wish to be drawn into a discussion on the question of protection or free-trade. I am afraid that we shall all hear more than enough of that subject before the session is closed. In dealing with the Estimates, it is the bounden duty of honorable members to consider, not so much the requirements of the Commonwealth, as the necessities of the smaller States. It is no pleasure for the representatives of the smaller States to have to stand here and oppose proposals and appointments which they would very much like to see carried out—proposals which we should be glad, under different conditions, to support. But we are led to take this stand,

because we know that the people we represent are depriving themselves of absolute necessities in order that the interest of the States as a whole may be conserved. That being so, we hold that the Commonwealth Parliament has no right to deprive a State of that which is absolutely essential to its progress and well-being, in order that it may provide for what may be regarded as luxuries.

Mr. KENNEDY.—What is the proposed deprivation mentioned in the Budget statement to which the honorable member refers?

Mr. McWILLIAMS.—The proposal to establish penny postage throughout the Commonwealth, which will result in a loss of £22,000 per annum to Tasmania. The revenue so proposed to be sacrificed would be put to much better use if it were devoted to the extension of postal facilities.

Mr. BRUCE SMITH.—Tasmania is making more than £22,000 per annum out of its sweep ticket tax.

Mr. CAMERON.—What has that to do with the question before the Chair?

Mr. McWILLIAMS.—In view of the position of the smaller States, it is a source of much satisfaction to us to find representatives of the larger States devoting much of their time and attention to an attempt to solve the financial problems which confront the Commonwealth. It is gratifying to learn that the States which they represent are prepared to surrender a portion of their revenue in order that the smaller States may meet the strain that is placed upon them. The progress of the Commonwealth may well be compared to the march of a great army. If any section of that army is, by reason of deprivation, or because of the extent of its baggage, unable to keep pace with the main body, the leaders have to consider whether they should press on, and compel the weaker members of the force to fall by the wayside, or whether they should reduce the pressure. Those who have taken up this question recognise that Queensland and Tasmania are the more heavily burdened members of the Federal army, and have said, in effect, "We are prepared to reduce the progress of the army in order that the weaker members of it may keep pace with the main body." I do not intend to discuss at length the question of loan conversion, for it has already been debated by honorable members who are able to deal with it more exhaustively and effectively

than I could hope to do. There is one point, however, that I wish to emphasize. The absurd suggestion has been made that, if the Federation took over the debts of the States, it would give away something to the present holders of our stocks. The position which the Commonwealth occupies in this respect is similar to that of a man who buys mining scrip as an investment. The man who does so, as a rule is foolish, but we know that there are some who make such investments. To the man who buys mining scrip as an investment, and intends to derive the whole of his profits from the dividends, the fluctuation in the market value is of little concern. In the same way, when we take over the States debts, it will be immaterial to us if, before the dates on which they fall due, the stocks depreciate or increase in value. If the depreciation went beyond a certain point, the Commonwealth might be in the exceedingly happy position of being able to buy some of the stock below par. But the Commonwealth cannot possibly lose by taking over these stocks, since, when the time comes for redeeming them—

Mr. KING O'MALLEY.—Supposing that we sell "short" and have to buy "long."

Mr. McWILLIAMS.—But we do not sell "short." We are not in the position of holders of perpetual stocks. When the stocks fall due, we shall have to redeem them at their face value only, and, therefore, any fluctuation in market values can have no effect upon the Government of the States or the Commonwealth. I would urge honorable members to give consideration to this point. It we are to have a true Federation, then the policy of the Government, especially in the early stages of the Commonwealth, should be guided by a desire to conserve the interests of the smaller States. It may seem desirable to grant the people concessions—by some they may be regarded as luxuries—but when some of the members of the Union are not in a position to bear the cost of such concessions, it should be the duty of those who have the welfare of the States at heart to say, "We shall postpone these proposals until the smaller States are in a position to keep pace with the larger ones." It is by no means pleasing for the representatives of the smaller States to have, as it were, to almost plead poverty on their behalf, but we are led to take this stand because it has been brought strongly home to some

of us that we have almost reached the breaking point in our State finances. By way of income and land taxation, Tasmania has taxed herself as no other State has ever done, and has reduced its expenditure to almost the level of parsimony. I believe that every member of the State Parliament is ashamed of the wages received by the lower paid men in the State service. I wish to press home that point. In Tasmania, the people are paying in direct taxation 24s. 3d. per head, as compared with 17s. 5d. per head in Queensland.

Mr. PAGE.—That is quite enough!

Mr. McWILLIAMS.—But, if in Tasmania there be added another 7s., and, including an ability tax far exceeding in severity any income tax imposed in the southern hemisphere, the honorable member for Maranoa will realize the strain to which a handful of people are being subjected. Honorable members, while indulging in what some of us may call luxuries, are depriving the smaller States of absolute necessities, and reducing the daily bread of the poorer paid members of the Public Service.

Mr. PAGE.—My sympathies are with Tasmania.

Mr. McWILLIAMS.—In all seriousness, I warn honorable members that if the Federal expenditure be continued at the rate at which it has been increasing up to the present moment—from £3,000,000 to £5,000,000—it will be made impossible for Tasmania to remain in the Federation. Some may say that they do not care whether Tasmania remains in the Federation or not, but, in any case, her position, as a State of the Union, will be rendered impossible. There will be no other alternative for Tasmania but financial bankruptcy, because she is being driven to the fullest possible extent. In the Defence Department, the expenditure has been more than doubled, and our forces are not one whit more efficient than before.

Mr. DUGALD THOMSON.—The number of the forces in Tasmania has been reduced.

Mr. McWILLIAMS.—The number of men has been reduced, while the expenditure has been increased very considerably.

Mr. PAGE.—How has that been done?

Mr. McWILLIAMS.—In Tasmania previously the volunteer system prevailed to a very large extent.

Sir JOHN FORREST.—The men did not attend drill very well, I believe.

Mr. McWILLIAMS.—If it be decided to pay a certain proportion of the volunteer

forces, the unpaid members very naturally claim that, if they give their services, they also should be paid.

Mr. PAGE.—There is not much patriotism in that!

Mr. McWILLIAMS.—However strong the patriotism of the men may be, those who are unpaid do not take the same interest that they did before.

Mr. PAGE.—They do in the old country.

Mr. McWILLIAMS. — Yes, I know. There is one other point in connexion with the Defence Department to which I desire to allude. The whole policy of the present system is to crush out what, in Tasmania, were promising to become a very useful arm of the Defence Forces, namely, the country rifle clubs.

Sir JOHN FORREST.—The rifle clubs are in a better position than they were before.

Mr. McCAY.—The rifle clubs get more encouragement now than ever before in the history of Australia.

Mr. McWILLIAMS. — In my opinion the rifle clubs have not received the attention they ought to receive.

Mr. McCAY.—They are better off now than ever they were before.

Sir JOHN FORREST.—Hear, hear.

Mr. McWILLIAMS. — I have always contended that the members of rifle clubs should be brought up to a certain standard of efficiency by means of an ordinary course of drill. As a matter of fact, however, provision for drill in connexion with rifle clubs does not exist. My idea of a defence force, including volunteers or members of rifle clubs, has always been that if the men could be encouraged to take sufficient interest in the work, and qualify themselves as marksmen, and in a knowledge of the ordinary rudiments of drill—

Mr. PAGE.—That is what they object to.

Mr. McWILLIAMS.—Some of the rifle clubs have never had an opportunity to be drilled. It has always been my opinion that members of these clubs should not object to a certain amount of drill.

Mr. WILKINSON.—And they do not.

Mr. McWILLIAMS.—My experience as a volunteer is, that unless the men subject themselves to a certain amount of drill, they are destroying to an enormous extent their efficiency as a field force, should they

ever be called upon to defend their country.

Mr. WILKINSON.—Ninety per cent. of the members of rifle clubs are willing to drill.

Mr. McWILLIAMS.—That is exactly my experience; but the difficulty is that there are no instructors.

Mr. WILKINSON.—That is it.

Mr. McWILLIAMS. — No instructors are ever sent into the districts; and I do not care how good a marksman a man may be, he enormously depreciates his efficiency unless he is drilled to some extent.

Mr. PAGE.—Which would the honorable member rather do—stand in front of a man well drilled, who could not shoot, or stand in front of a man who could shoot well, and had not been drilled?

Mr. McCAY.—The men who are not drilled can never get to the front to shoot.

Mr. McWILLIAMS.—The great probability is that, unless a man is drilled to some extent, he will never be in a position to shoot anybody. The history of the American Civil War shows what a lot of untrained men are worth.

Mr. PAGE.—We are talking about individuals, not bodies.

Mr. McWILLIAMS.—If there be thrown into the field a mass of atoms who are not in a position to work under instruction—who are not in a position to take up their formations, or to accept discipline—

Mr. McCAY.—Who have no leaders to lead them.

Mr. McWILLIAMS.—Who have no leaders to lead them; then, I am afraid that, under such circumstances, they would be found wanting in that which could be supplied at small cost.

Mr. PAGE.—What has the honorable member to say about the Australian troops in South Africa acting on their own initiative? I have heard the honorable member praise those troops many times in this House. Of course, I know the other side too well.

Mr. McWILLIAMS.—I should now like to refer to some remarks which were made by the honorable member for Wide Bay, and with which I thoroughly agree. I have been struck, from the time I

entered the Federal Parliament, by the utter want of real Ministerial responsibility in dealing with proposals which come before Parliament. I thoroughly agree with the honorable member for Wide Bay that we are being asked to take a very improper position when the Treasurer brings down a Budget of expenditure, especially expenditure from Customs, and when, immediately afterwards, proposals are made for taxation through the Customs—proposals which may alter, to a very considerable extent, the Estimates submitted. Whatever Tariff proposals were intended should have been dealt with when the House met at the beginning of the session. We ought to have had full knowledge of what our revenue was to be, before being asked to sanction the proposed expenditure. The Commonwealth expenditure is such to-day that, if we were paying interest on transferred properties, the Treasurer's figures would show an absolute deficiency. Without incurring one penny of expenditure in excess of that estimated by the Treasurer, if we had to pay interest on the value of the transferred properties the Commonwealth would not be paying its way to-day. It must be remembered, also, that we have not so far undertaken any of the great works to which many members of the Federal Parliament stand pledged. Where should we get the revenue required to give effect to old-age pensions, to carry out the overland railway to Western Australia, or to enable us to embark on the construction of the Federal Capital? There is absolutely no revenue at the disposal of the Government to give effect to any of these proposals. Are Ministers in earnest, for instance, in their professed desire to establish old-age pensions? Do they really intend to bring forward an old-age pension scheme for the Commonwealth? Their sincerity in the matter may well be judged by the provisions they have made or have failed to make to give effect to that proposal. I honestly believe in the establishment of reciprocal trade arrangements with the old country. That is a question about which we heard a great deal from the hustings at the last election. I was exceedingly pleased to support that policy then, and shall do so again, although it may not be quite in accord with the views of some honorable members on this side. I believe that there should be trade reciprocity between the different portions of the British Empire. I

Mr. McWilliams.

am prepared to say to outsiders, "I prefer to trade with my own kith and kin in Great Britain and in Canada rather than with the people of Germany, the United States of America, or other countries, who close their ports to our products." The battle cry at the last election was "White Australia and reciprocity of trade." We have secured a White Australia, but reciprocity of trade has been absolutely set aside. I am reminded by what has taken place of the concluding portion of a passage of Scripture, which I shall put in this way, "And reciprocity died and was buried, and Australia for the Australians reigned in its stead." Reciprocity is dead and buried, and we have set up in its stead another king—Australia for the Australians. We have secured a White Australia, but we hear no word now about reciprocity. On the contrary, we have gone to the opposite pole, and we hear now of "Australia for the Australians." The proposal now is to shut out the Britisher and the Canadian, as well as foreigners, and to deal only with our own people. The financial position of the Commonwealth and of all the States to-day is very much more serious than it has been considered to be up to the present time. Although we have undertaken none of the real objects of Federation, our Federal expenditure already absorbs nearly 25 per cent. of the revenue from Customs and Excise, which is our extreme limit. There is at the present time a Conference sitting in Melbourne to consider what shall be done in connexion with the transferred properties, but no provision has been made to meet the interest on the cost of those properties. If it should be decided by the Conference now sitting in Melbourne that the transferred properties should be handed over at once to the Commonwealth, there is not sufficient revenue indicated in the Treasurer's Budget to meet the interest on their cost. We are talking of constructing the overland railway to Western Australia and also the Federal Capital, and we have no money to meet the expenditure involved. If the Government of the Commonwealth should introduce Loan Bills to carry out those works, I hope that I shall be in this House at the time to vote against loans, from whichever side of the House they come. If these great works are not to be constructed by loan money, then we are face to face with the necessity for direct taxation; and I say that we are not honest

in the matter, because we know that there is not a single State in the Federation able to stand the direct taxation which would be necessary to provide the revenue required to carry out those works. Whilst the proposals which have come from honorable members not included in the ranks of Ministers deserve the sincere consideration of the House and the heartfelt thanks of those who represent the smaller States for the generous treatment those honorable members are prepared to accord to them, I must say that, so far as the action of Ministers is concerned, the Budget submitted by the Treasurer is wretched in principle and reckless in the proposals it makes for expenditure.

Mr. HARPER (Mernda) [2.48].—I ask the indulgence of the Committee for again intervening in the debate. I do so because, although I have already spoken at considerable length, I found it impossible on that occasion to deal with two or three matters to which I had intended to address myself. I wish now to supplement my previous address in order that my proposals may be before honorable members in a complete form. Before doing so, I wish to say that honorable members must agree that the representatives of Tasmania who have addressed the Committee this morning have put a case before us which emphasizes very strongly the necessity for immediate action in the direction of taking over the States debts, the adjustment of our finances, and the termination of the account-keeping period. There can be no doubt that these are the questions of the hour, not only from the point of view taken by the honorable member for Franklin, but also in view of the absolute danger, looking a few years ahead, to which the financial credit of the Commonwealth and of the States is exposed, if the loans shortly falling due in the different States are allowed to mature without adequate provision being made to meet those obligations. There is another matter to which I wish to refer before I deal with the questions upon which I rose to address the Committee. I informed the honorable member for Koo-vong before the luncheon adjournment that it was my intention to allude to what I cannot but think an unfortunate remark which he made when addressing the Committee yesterday. It has been noticed in the press, and was to the effect that I had, rather ungraciously, he seemed to indicate, ignored his proposals.

Mr. SKENE.—The honorable member stole his thunder.

Mr. HARPER.—Yes, that is the inference. I certainly did not steal his thunder, and he should not have made such a remark. As I endeavoured to remind him at the time he made the statement, his suggestions, whatever their value—upon that point I give no opinion—are based on lines totally different from mine. He proposed to continue practically the present conditions by providing a body, elected partly by the States and partly by the Commonwealth, for that purpose. My object is the very reverse. I wish to do away with the present divided management—to unify, not the States, as the honorable member said, but their debts; and, by placing them in the hands of the Commonwealth, to avoid financial difficulties, and enable us to meet our creditors, so that we may bargain with them on equal terms, by preventing competition between the States in the money market. If I allude to two or three of the proposals of the honorable member for Koo-vong, it will be seen how radically different they are from mine. For instance, he provides for an extension of the Braddon section, and thinks that the body which he would like to see created should have placed in its hands all surpluses of Customs and Excise revenue for the payment of interest, and should receive the railway revenues of the States, less actual working expenses; whereas I wish to free the States from interference by the Commonwealth, or any other authority than the States, with the management of revenues of their railways. He suggests the hypothecation of the railways of the States, or the placing of a floating charge over them as security for loans, “to prevent misunderstanding with present or future bond-holders.” In short, his proposal is for the creation of a body for the protection of bond-holders, whereas my object is to do away with the need for the Braddon section, and to adjust the finances of the States and the Commonwealth so that neither will have to make any material sacrifice. He proposes to hypothecate their properties, or to deal with them in some other way not explained. I wish to free them from interference. When I went into this question, I regarded it as deserving of the greatest consideration; but the honorable gentleman’s proposals were not in my mind. It is only since he called attention to them in the Committee, in what

I think a somewhat ridiculous way, that I have looked into them, and I believe that if he himself had made a similar comparison he would not have uttered the remarks to which I am replying. There were three points dealt with in my memorandum to which I did not allude in my previous speech. The first was that, assuming that the line of action which I propose as a solution of all the financial difficulties were adopted, part of the settlement should be that the transferred properties should be assigned at once to the Commonwealth without payment. Some honorable members may regard that as a somewhat startling proposition, but when it is remembered that a considerable portion of the value of those properties is represented by the loans which under my proposal would be taken over, it will be seen that it would be absurd for the Commonwealth to take over the debt and to pay for the properties as well. It would, in fact, be paying twice. With regard to that portion of the value which is not represented by loans, it is represented mainly by freeholds which for many years have been occupied by the authorities of the States for the purposes for which they are now used by the Commonwealth. Is it not equitable and reasonable if the Commonwealth takes over the whole of the debts of the States—making itself responsible, for example, for the £80,000,000 borrowed by New South Wales, and the £56,000,000 borrowed by Victoria—that the properties transferred by those States should be part of the consideration? These properties are not to be removed from the States, and are to continue to be occupied precisely for the purposes for which they were used under States control. The only difference is that there is a change of tenancy.

Mr. JOHNSON.—And of ownership, too.

Mr. HARPER.—We cannot dissociate ourselves from ourselves. The Constitution Act establishes two sets of Governments. The States have federated for certain purposes, and remain independent for certain other purposes. This involves the transfer of certain buildings and properties from the States to the Commonwealth. The States having been relieved of the obligation of conducting the Departments of Government in connexion with which these properties are used, and the obligation having devolved upon the Commonwealth, no injury is done to the people of the

States by the transfer of the properties from State to Commonwealth control.

Mr. DUGALD THOMSON.—The States claim that the value of the transferred properties per head of population differs considerably.

Mr. HARPER.—The *per capita* consideration has no weight here. The properties which have been transferred have not been shifted, and are being used by those for whose convenience they were erected. New South Wales may have built more elaborate and costly court-houses and post-offices than are to be found in Victoria, or *vice versa*, but the fact that that State has a larger population than the other States is not a reason why it should be given a larger credit.

Mr. DUGALD THOMSON.—The fact that it has a larger population is not a reason, but the fact that it has more properties per head of population may be.

Mr. HARPER.—It does not seem to me that, because some States may have more properties per head of population than are possessed by other States, the Commonwealth should be charged on that account now that they have federated. The people of the States are using these properties just as they did prior to Federation.

Mr. JOHNSON.—There is a distinction between State and Commonwealth ownership.

Mr. HARPER.—I decline to admit that there has been a change of ownership, except in one sense. The Commonwealth is carrying on the business of certain Departments of Government, and it has therefore been necessary to transfer to it the properties and appurtenances which are requisite for the performance of these functions. These properties, however, remain where they were erected. They are not taken from one State and given to another.

Mr. JOHNSON. — The same principle would apply to the land of the State—the land would still be there, but the Commonwealth could control it.

Mr. HARPER.—That is altogether irrelevant, because we have nothing to do with the land of the States. My contention is that it would be reasonable to hand over to the Commonwealth properties the expenditure upon which has been met partly out of the loans for which it is to assume the responsibility. The other properties upon which no loan expenditure has taken

place should be included as a part of the bargain, because they are used by the Commonwealth primarily for the benefit and convenience of the people of the different States. If this course were adopted, we should overcome all the troublesome business of settling values. The next matter I shall refer to is the proposed transfer of the Northern Territory to the Commonwealth. My contention is that if the proposed arrangement as to the transfer of the States debts to the Commonwealth is carried out, the Territory should be handed over to the Commonwealth as part of the arrangement, without any payment to the State chiefly concerned. Some representatives of South Australia seem to be rather astonished at my proposal, but I should like to direct attention to the position in which the Northern Territory stands. The correspondence which has passed between the Commonwealth and States Governments includes a paper signed by Sir Frederick Holder, dated 18th April, 1901—Parliamentary paper 943—from which it appears that the Northern Territory is charged with the cost of the overland telegraph line, and a railway from Port Darwin to Pine Creek, 150 miles in length. The cost of this railway is said, on page 3 of the paper, to be £452,713, and on page 4 to be £1,013,200. I cannot reconcile the two amounts. It is stated upon page 4 that the overland telegraph line cost £462,000. The bonded debt of the Territory was then £2,114,000, and the cash due to the South Australian Treasury on account of temporary advances £738. Since then the debit against the Territory is said to have been increased to £3,450,298 by the addition to the debt of interest chiefly. The Territory has been in the hands of South Australia for about forty years, and during that period the revenue of the possession has never been sufficient to defray the working expenses. There has been an annual deficiency in working the Territory, apart from the interest payable upon loans and advances. The interest charge which has to be met by South Australia amounts to between £80,000 and £90,000 per annum. So far as I can ascertain the South Australian Government are allowing the deficiency to accumulate. They are debiting the interest in their books to the Northern Territory, and they are asking the Commonwealth to pay them something like £3,400,000. As a matter of fact, they acknowledge that the bonded debts amount

to something over £2,000,000, and that the remainder of the debit is the balance due to the Treasury of South Australia, which has borrowed the money so that this Treasury debit against the Territory practically forms part of the debt which we are proposing to take over. In the event of the Commonwealth taking over all the debts of the State, including those of the Northern Territory, I should like to know upon what principle South Australia can ask us to pay the sum mentioned?

Mr. GLYNN.—They could not possibly debit the Commonwealth twice.

Mr. HARPER. — When it is understood that we are taking over the whole of the States debts, including the debts of the Northern Territory, and the debts which the South Australian Government have contracted in order to meet the annual deficiency in the Northern Territory account, the State can have no claim to special payment for the Territory.

Mr. GLYNN.—But the Northern Territory debt must not be debited to South Australia.

Mr. HARPER.—My point is that if we take over the States debts, which include that incurred in connexion with the Northern Territory, we should not be called upon to pay for the Territory over again.

Mr. GLYNN.—It is a matter of book-keeping.

Mr. DUGALD THOMSON.—The question is as to how the interest would be debited afterwards.

Mr. HARPER.—That is another matter. If the Commonwealth were to assume the obligation to pay in future the interest upon that portion of the debt represented by actual outlay for works, such as the Railway, incurred in connexion with the Northern Territory, as well as undertake the management of the Territory in future, South Australia would be enormously relieved. The Commonwealth should not, however, be charged with interest lost by South Australia in the past. With regard to the Western Australian railway, there can be no doubt that that State has a right to special consideration. That has been admitted all round. Western Australia has raised a much larger revenue *per capita* than any other State. Their contribution from the Commonwealth, claimable by the State under the Braddon section, leaves them a balance of something like £229,000 over and above the amount necessary to pay the interest on their debts.

That condition of affairs, which I admit will not always continue, gives Western Australia a claim to special consideration. If they want their railway — and I think they are entitled to it—they would, under my proposal, practically contribute towards the interest upon the cost of its construction something like £2,180,000. That is to say, they would be entitled to an annual payment by the Commonwealth amounting to £229,303, till 1910, which I propose to reduce thereupon, cumulatively, by 5 per cent. per annum. The total amount payable to them for the twenty-year period would be about the sum above named. My proposal is that the Commonwealth should borrow the money for the construction of the railway—assuming that it would cost not more than £5,000,000—and instead of making the above payments to the State, pay the interest upon the debt, and the sinking fund in respect to it, for a period of, say, fifteen or twenty years. The Commonwealth contributions at $3\frac{1}{2}$ per cent. would equal £175,000 per annum. Thus, during twelve and a half years, the cost to the Commonwealth would amount to £2,187,500, or about the amount which Western Australia would be entitled to receive from the Commonwealth in twenty years. In fifteen years, the minimum period mentioned in my scheme, Western Australia would receive an additional amount of £437,000; or in twenty years, the maximum period, £1,312,500. This, as may be arranged, would give them a solatium in acknowledgment of their position as differing from that of the other States. If, under my scheme, we could settle not only the great financial questions to which I referred on a former occasion, but the three thorny questions to which I have referred to-day, would it not be a great achievement? I am extremely gratified with the reception which has been accorded to my proposals. I have to thank the honorable member for North Sydney and others, not only for the sympathetic manner in which they have dealt with them, but for the suggestions which they have made as to the way in which they might be improved. Unfortunately, I only obtained last night a copy of the speech which was delivered upon this question by the honorable member for North Sydney, and I have not yet been able to master it. I intend to do so. It seems to me, however, that the difference between the honorable member and myself is a comparatively small one. It is not a difference

Mr. Harper.

of principle, but one of detail. The honorable member does not see his way clear to support the taking over of the whole of the States debts immediately.

Mr. DUGALD THOMSON.—Not immediately.

Mr. HARPER.—The honorable member wishes to limit the proportion of the debts taken over to an amount the interest upon which would absorb the amounts returned to the States under the Braddon section. I have not yet had time to examine his suggestion, but I shall give it every consideration, and I think I may be able to show him that, for other reasons, it is desirable for the Commonwealth to take over all the debts of the States, and to pay all the interest upon them. During the course of this debate, the honorable member for Bland, and the honorable and learned member for Northern Melbourne, raised a point which, I think, has been amply answered by the honorable member for Franklin, and the honorable member for Denison. They objected to the Commonwealth announcing that it intended to take over the whole of the States debts, either under the Treasurer's scheme or under my own, or under that outlined by the honorable member for North Sydney, upon the ground that it would have the effect of enhancing the value of existing stocks. That argument may have been sound enough at the period when it was believed that we could effect a great conversion—that, by means of the Commonwealth credit, we should be able to say to the holders of 4 per cent. State bonds, "We will give you 3 per cent. Commonwealth bonds in lieu of the stock you now hold for a very small consideration." Even when that suggestion was first made, financial men were agreed that it was impossible to effect any such saving, and the recent inquiries of Mr. Coghlan and others show that it is quite out of the question.

Sir JOHN FORREST.—I stated the opposite. I said that we should be able to effect a saving on conversion, but that we should not put the Commonwealth brand upon any stocks until they were about to mature.

Mr. HARPER.—That is substantially the same thing.

Sir JOHN FORREST.—The honorable member urges that we should put the Commonwealth brand upon all stocks at once.

Mr. HARPER.—Under my proposals we practically say to the bond-holders, "We do not wish you to convert. When your bonds fall due you will only get their face value. We will wait until they mature." But, assuming that the Commonwealth becomes strong financially, that need not prevent it—in times of depression in Europe—from buying up some of the stocks of the States when they fall below par.

Mr. HENRY WILLIS.—But they are chiefly in the hands of trustees.

Mr. HARPER.—If they are in the hands of trustees, they will be held until they fall due, when the trustees will receive 20s. in the £1 for them. But if, in the interim, anybody has stock to sell under par, the Commonwealth should purchase it. For instance, if a convulsion took place in Europe, and 4 per cents., which are worth £105 to-day, fell to £95; we should purchase them if we had the money to do so. That would be a proper thing to do, because we should save five points. The worst that could happen to us would be that, when the bonds fell due, we should have to pay 20s. in the £1 for them. That argument, however, ought not to weigh one iota with us now. We are prepared to pay 20s. in the £1 for our bonds when they mature, but if they can be purchased in the interim at a satisfactory rate, we hope to be in a position to purchase them.

Mr. HENRY WILLIS.—Where would the honorable member get the money with which to convert?

Mr. HARPER.—If the honorable member will read my scheme he will see. We shall have to borrow it. If we have loans to meet, we hope that we shall be able to borrow the money at 3 per cent., and to take them up when they fall due by paying the bond-holders 20s. in the £1, unless they are willing to accept 3 per cent. bonds at a figure which is satisfactory to us.

Mr. HENRY WILLIS.—But I am thinking of the money that may be available before the bonds fall due.

Mr. HARPER.—The honorable member must see that immediately the scheme is launched we shall begin to make savings. Mr. Coghlan estimates that within five years we shall be saving £273,000 in interest upon loans which will fall due at the end of that period. That in itself is a fund. He further says that at no very distant period we shall have £1,370,000 per annum coming in.

Mr. HENRY WILLIS.—That is assuming that the Commonwealth holds the profit which is made upon those bonds.

Mr. HARPER.—I have been replying to questions put by the honorable member, and thus have been led away from my subject. It has been suggested in the newspapers—and the honorable member for Denison alluded to it to-day—that the Commonwealth may not be able to save the difference between 3 per cent. and 3.6 per cent. The basis of my calculation is that by doing so the Commonwealth will acquire a fund which, in sixty years, will wipe out the whole of the States indebtedness. Now the question arises: "Will the Commonwealth be able to borrow at 3 per cent.?" In my paper, I point out that it is quite probable—and, in this particular, I am following the view which is entertained by Mr. Coghlan—that at first the Commonwealth may not be able to borrow at 3 per cent. at par. But in time it will be able to do so. The success of my scheme does not depend upon a saving of .6 per cent. That is to say, the scheme, as a scheme of finance, does not necessarily mean that. If the Commonwealth does not make that margin, all that will happen is that we shall not pay the debts off so quickly. But whatever margin we make, .6 or .3 per cent., it is a saving which will sooner or later pay off the debts.

Mr. DUGALD THOMSON.—Or we could do it by means of a sinking fund of $\frac{1}{2}$ per cent. as we reissued the substituted loans.

Mr. HARPER.—We could do that. I agree with the honorable member that if we received $\frac{1}{2}$ per cent. sinking fund from the States on each of their loans as they mature, we could effect our object. But my object is, so far as the existing debts are concerned, to remove the whole responsibility for them from the States, and that the Commonwealth should take the whole of that responsibility by taking from the revenue not more than the amount the States are paying to their creditors for interest. Whatever saving the Commonwealth could make, it would apply, not to its own expenditure, but to wiping out the debts. It may be that, owing to a high money market, or some other cause, the Commonwealth might not be able to make so large a saving as .6 per cent. In that case it might take eighty years instead of sixty to liquidate our indebtedness. But that does not alter the scheme. It simply means that we should be longer

in paying off the debts. My object is that the debts of the States shall not in any way involve them in any further difficulties whatever, and to attain that end without interfering with the current revenue of the States. That is to say, the administration will cost no more than it is costing the States now—it will, in fact, probably be a great deal less than the States collectively may be compelled to pay. I notice that Mr. Bent yesterday secured the passage of a Bill to float his loan at up to 4 per cent. I feel assured that unless something is done by the Commonwealth Government to take over the debts, it is probable that instead of the States having, as at present, to pay on the average 3.6 per cent., they will have to pay 4, possibly 4½, per cent. for their renewed loans. The danger of the position is most serious. Our creditors know our necessities. They know as well as we do when our loans are falling due. They know that each of the States will have to come and ask them for money to renew. The management of financial affairs in London, as my honorable friend the Treasurer is well aware is confined to a comparatively small circle. You cannot get outside of it; and if our creditors know that we have to renew loans for, say, £15,000,000 in one year—the States collectively will have to renew £31,000,000 in 1921—can any one say that under the ordinary rules of the market, if there is a large demand for money, the lenders will not make the most of their opportunity? It therefore behoves us to take this question seriously. It should be taken up by the Commonwealth Parliament without delay, before the big loans mature. We have, as I have shown, large renewals to make, and the Commonwealth ought to be well in front of the danger, and be prepared to pay the lenders their money, or to renew on favorable terms. Whenever lenders know that a borrower is in a strong position, so that they cannot corner him, they will be much more likely to come to terms which will be satisfactory. If they will not come to terms with us we ought to be in the position to pay them.

Mr. DUGALD THOMSON.—Does the Minister intend to deal with the matter this session?

Mr. HARPER.—I have not asked him. It is due to the Treasurer that I should acknowledge that he has been very fair

in this matter. He had made up his own mind on a certain line of action, and at a later stage another view was put before him. He has considered it. I have not pressed him as to what he intends to do. Probably the matter has been made a little clearer than it was before. At all events, my right honorable friend has had the advantage of hearing the opinions of honorable members, and will therefore be in a better position to deal with the question. It is not a matter entirely for the Treasurer. It is very much a matter for the members of this House. If honorable members are in earnest about it, they will make their weight felt by the Government. And there is a very much more important consideration, namely, to get these proposals understood to be equitable and fair to the States—to get the States Parliaments and Governments to understand them, and be prepared to accept them. It is because I believe that a complete system on these lines would end the entanglements between the States and the Commonwealth Government; that it would place the States Governments in a position of absolute freedom to deal with their public works as they chose; that it would free them from any apprehensions about their debts; that it would enable them to deal—under the conditions imposed in my scheme, or similar conditions—with the question of incurring fresh liabilities for new works, the Commonwealth Government being the only borrower in the London market; that it would enable the States to get money for such purposes at the lowest rate of interest current from time to time—because of all these advantages, I urge that the matter should be considered without delay. My honorable friend the Treasurer, at the opening of his Budget speech, said that we had not yet learned to think Federally. I agree that we have not. But this is the kind of thing to make us think Federally. If we can show by our administration that the Commonwealth can, without trenching upon the resources of the tax-payers of the country more heavily than is done at the present time—or without substantially imposing fresh liabilities upon them—so finance for them that it can release them from their liability for their debts, and can also provide enough money to meet the debts when they are due, I think most people in Australia will say that Federation was a good thing after all. If it did nothing beyond this, they would realize that the union had been justified. My

scheme would, at the same time, enable the Commonwealth Parliament to pursue its own policy free from the perplexing considerations which hinder it at present. When, for instance, such a proposal as penny postage is brought forward, we are told that it would so completely punish the Treasuries of some of the States that the people of those States would immediately say, "It is all very well for the Commonwealth to do this; we should like it very much; but we cannot afford it." I want to get into such a position that the Commonwealth will be able to institute penny postage or any other policy that it thinks desirable, without any State feeling that it is being impoverished. The States would, of course, know that they were paying for it, but, the burden being divided over all of them, it would not be felt in the keen way in which it is now. By that means we shall knit together the citizens of the Commonwealth, and make them feel that, after all, the boundaries of the States are practically imaginary lines, and that we are all one people. It is only by the prevalence of this spirit that we can hope to build up a great and enduring Federation, which will attach to itself a feeling of affection and patriotism, and lift us above the small petty States' rights idea, which I am sorry to say exists to such a large extent to-day.

Mr. STORRER (Bass) [3.29].—It is not my intention to take up much of the time of the Committee in dealing with the matter of States rights, because so much has already been said upon the subject. But I think that it is necessary for me to indicate my feelings in reference to some of the questions which have been mentioned. I believe that the debts of the States should be taken over by the Commonwealth as soon as possible. I believe that if it had been done long ago, many exhibitions of jealousy and questions of State rights in reference to finance would have been avoided. Unfortunately the question of distributing the expenditure *per capita* and transferring the States debts has so fully seized the minds of State Treasurers and Premiers that it has become a cause of friction between the States and the Commonwealth, which, I think, should not exist. I am aware that many of the charges made by the State Premiers are not well founded, and that some of them are exaggerated. The electors were told that Federation would result in the transfer of the States debts, and the saving of a considerable sum to the States.

For that reason, I think the Commonwealth should have been represented long ago in London by a High Commissioner doing the business of the States, and thus saving a large expenditure on brokerage and other services during the year. Even if the saving in the rate of interest were only $\frac{1}{4}$ per cent., it would mean an annual saving of £500,000 or £600,000 to the people of the Commonwealth. That is worthy of consideration, I submit. The Treasurer has talked of putting off the performance of this duty until we have learnt to think more Federally than we do.

Sir JOHN FORREST.—Not at all. I urge the opposite.

Mr. STORRER. — I understood the right honorable gentleman to say that he proposed to put off dealing with the question of States debts.

Mr. DUGALD THOMSON.—No; he proposes to put off dealing with the distribution of expenditure on a *per capita* basis.

Mr. STORRER.—I am very glad to hear that the Treasurer is willing to deal with the question of the States debts, and I trust that he will be able to effect their transfer, if not this session, as quickly as possible afterwards. I realize that many difficulties lie in his way, but, as the honorable member for Wide Bay said this morning, some one must take up the question with a determination to carry it to a successful issue. I feel satisfied that, but for our system of parliamentary management, this question would have been dealt with long ago, and in a business-like way. Perhaps the best course would be to appoint a Committee to take into consideration the best means of carrying out the object, and to bring up a report. I believe that if a Committee consisting of the honorable member for North Sydney, the honorable member for Mernda, and the Treasurer were to agree to a report, it would be adopted by a majority of honorable members. But while our system of parliamentary government continues—with all the party questions cropping up, and changes of Government taking place—it will be difficult to deal with a question of this kind.

Mr. KING O'MALLEY.—This is no party question.

Mr. STORRER.—No, I am very glad that party considerations have been totally absent from the debate. I also appreciate the very fair way in which every speaker, especially the honorable member for North Sydney, has dealt with the

question. A great deal has been said as to how the transfer of the debts would affect the various States. I should be quite willing to grant a special concession to Western Australia if it were shown that her finances would be affected in an injurious way. When the people of the Colonies were urged to federate, they were assured that they would become one people, with one destiny, and one purse, and they voted accordingly. I did not vote for the acceptance of the Constitution, because I recognised how much Tasmania would lose by entering into the Federation. Now, however, that we are a federated people, we should not recognise boundary lines. The Government of Victoria, for instance, never considers whether a proposal would suit Ballarat, or Geelong, or Echuca, or Bendigo. All it considers is whether the proposal would suit the State. All questions ought to be dealt with here on a Federal principle, and less attention should be given to State considerations. Until that is done the causes of friction will not be removed, and we shall not have a true Federation. If I entered into a partnership, I should consider, not what would be best for myself, but what would be best for the partnership, and that is the way in which public questions should be dealt with here. I am glad that, so far as the post and telegraph service is concerned, Tasmania has been brought up to the level of the other States, and is to receive justice under this Budget. I shall have some remarks to make in that connexion when the Estimates are being considered. Having made a careful examination of the Estimates, I believe that they contain many items which could be done without at the present time, and that the proposed expenditure is too large. In a time of prosperity, it is our duty to be careful. Last year we had a prosperous season, but we cannot expect it to be often repeated. I shall consider the Estimates very carefully and require an explanation concerning many items. I shall support any Government or any man who brings forward a proposal to deal with the question of the States debts this year, or at the earliest possible opportunity.

Mr. BROWN (Canobolas) [3.36].—I do not know whether the Government desire to bring this discussion to a close to-day.

Mr. DEAKIN.—Hear, hear.

Mr. BROWN. — I understand that several members who have gone away on a trip to the Federal Capital sites are anxious

to have an opportunity to discuss the Budget. I do not think it is quite fair to them to close the debate to-day.

Mr. DEAKIN.—They all understood before they left that it would be closed to-day. They will have an opportunity to speak on the Estimates.

Mr. BROWN.—At this stage, an honorable member can discuss a good many subjects with which he cannot deal when the Estimates are being considered in detail. I believe that if the Government could see their way not to close the debate until next week, it would convenience many honorable members. In the first place, I wish to congratulate the Treasurer upon being able to bring down this Budget. Generally, he is optimistic, and on the present occasion, he has very good reasons for his optimism, because the revenue is coming in very satisfactorily. That indicates the advantages springing from the good seasons with which latterly the Commonwealth has been blessed. I believe that all sides of the Chamber heartily entertain the hope that the present outlook of fair and promising seasons will continue, and that on the next occasion, a similarly optimistic Budget may be submitted. On the question of taxation, I am pleased to note a falling off in some items which appeared in the Budget of 1902-3, and of 1903-4, when the Commonwealth was going through the trials of, I suppose, one of the severest droughts which had occurred since settlement first took place. From grain duties, the Treasurer netted in 1902-3, £597,000; and in 1903-4, £265,000. This taxation was imposed, not upon luxuries, but upon absolute necessities. Even those who, because of their protectionist principles, advocated the retention of the grain duties will learn with satisfaction that the Treasurer estimates that, given a good season this year, the revenue derived from these duties will be only £200,022, as compared with £597,710 in 1902-3. I have no desire to refer at length to the fiscal issue, but there are one or two facts relating to it that I wish to place before the Committee. When New South Wales entered the Federation her Customs and Excise taxation was equal to £1 6s. 4½d. per head of the population, but, according to the Treasurer's estimate, the revenue derived from those sources this year will be equal to £2 4s. 7d. per head of the population. In other words, under the State Tariff a man with a wife and three

children had to contribute by way of Customs and Excise taxation something like £6 11s. 10½d. to the revenue, whereas under the Commonwealth Tariff he has to contribute £11 2s. 11d.

Mr. ISAACS.—But the State receives three-fourths of the revenue so collected.

Mr. BROWN.—I was about to refer to that point. During the last five years the Commonwealth has returned to New South Wales no less than £6,123,359 in excess of the amount which would have been collected under the State Tariff, on the basis of the Customs and Excise returns for 1900. If the Treasurer's estimate for this year be realized, it will mean that the people of New South Wales will have contributed to the Customs and Excise revenue a sum of £7,475,188 in excess of what they would have had to pay under the State Tariff. It is true that the State Government has benefited by this increased revenue, but the people themselves have had to put their hands in their pockets to provide it. The difficulty is that, whereas the New South Wales Government have been able to draw upon this increased revenue, they have been under no obligation to the people with respect to its collection, and sufficient control has not been exercised over its expenditure. Although the large amount I have mentioned has been raised by Customs and Excise taxation in New South Wales the Government of that State has since Federation added very considerably to the public debt. That being so, the position of the taxpayers there is even worse than is that of the people of other States, whose revenue has not been so largely increased under the Commonwealth Tariff. Had there been a smaller revenue available greater economy would have been exercised by the spending powers and the taxpayers would have received a corresponding benefit. I regret that, whilst the Federal Tariff was under consideration, those who were fighting for reasonably low duties were unsuccessful. At that time there were in this House a number of free-traders under the leadership of the right honorable member for East Sydney, and it seems to me that there was a possibility of the campaign being carried to a far more successful issue. I regret that, as the result of the lightning changes that have since taken place, the chances of success in this direction have been reduced, and I fear that many years will elapse before an equally good opportunity will present it-

self. It would seem that the Free-trade Party have ceased to recognise free-trade as an important plank in their platform. They have even changed their name, and have blossomed forth as the "anti-Socialist" or the "anti-Labour" party. Whilst the Tariff was under consideration, the Free-trade Party received substantial assistance from members of the Labour Party.

Mr. JOSEPH COOK.—Does the honorable member classify labourites as Socialists?

Mr. BROWN.—No.

Mr. JOSEPH COOK.—Are "labour" and "Socialism" synonymous terms?

Mr. BROWN.—It is the honorable member who refers to the Labour Party as Socialists.

Mr. JOSEPH COOK.—We refer to Socialists as Socialists; I do not know that we could do more than that.

Mr. BROWN.—The honorable member uses the word "Socialism" in a much wider sense. Those who espouse the labour cause are branded as Socialists by his party. The Free-trade Party, which at one time existed in this House, had, amongst its supporters the following members of the Labour Party:—The honorable member for West Sydney, the honorable member for Barrier, and myself, as representatives of New South Wales; the honorable member for Kennedy, the honorable member for Maranoa, and the honorable member for Wide Bay, all representatives of Queensland.

Mr. JOSEPH COOK.—The honorable member for Wide Bay has denied that he was a revenue tariffist.

Mr. BROWN.—The Free-trade Party received from him a good deal of support in connexion with some of the Tariff items.

Mr. JOSEPH COOK.—And a good deal of opposition.

Mr. BROWN.—The honorable member for Perth, the honorable member for Kalgoorlie, together with Senator Pearce—all representatives of Western Australia—were supporters of the free-trade cause, whilst the honorable member for Grey and other members of the Labour Party who hailed from South Australia also stood by it. There were no free-traders among the members of the Labour Party returned by Tasmania and Victoria, but altogether about eleven members of that party were fighting with the Opposition for Tariff reform.

Mr. TUDOR.—The honorable member has failed to mention Senator Dawson, who also stood by the free-trade cause.

Mr. BROWN.—That is so.

Mr. JOSEPH COOK.—How does the honorable member classify the honorable member for Darling?

Mr. BROWN.—The honorable member for Darling is a fiscal atheist. When the Free-trade Party entered this House it had only one supporter from this State—the then honorable member for Wannon, Mr. Winter Cooke. But in the meantime there has been a great change. The members I have already mentioned are, I understand, to be cast overboard, and thrown to the Conservative sharks, to be devoured, if possible, at the coming elections. On the other hand, the Free-trade Party has been strengthened by the addition of the very respected member for Oxley, and also, I understand, by Senator Drake, who was a member of the Government who introduced the Tariff. In Western Australia there is no change; but in the case of South Australia the party has lost the honorable member for Grey; whereas in Tasmania they have secured Sir Philip Fysh and, probably, Senator Dobson, on important questions. But the great change in the party has occurred in the case of Victoria, where their gains include the honorable member for Gippsland, who was co-equal in the Premiership a little while ago, and was previously responsible for the stock tax in Victoria imposed against the rest of Australia. With the honorable member for Gippsland there are the honorable member for Corinella, the right honorable member for Balaclava, and the honorable member for Echuca. After the passing of the Tariff, the honorable member for Kooyong, the honorable member for Grampians, and the then honorable member for Flinders, Mr. Groom, passed over to the free-trade, or Opposition, side; and after the elections the honorable member for Corangamite and the honorable member for Wannon joined the party, along with Senator Fraser.

Mr. SPENCE.—Where does the honorable member place the honorable member for Mernda?

Mr. BROWN.—I do not know; but I think the honorable member for Mernda is rather friendly disposed towards the Government, and I give him the benefit of the doubt. The changes which I have indicated are responsible. I presume, for the alteration in name from the "Free-trade Party" to the "Anti-Socialist," or "Anti-labour Party."

Mr. JOHNSON. — Not anti-labour, but anti-Socialist.

Mr. BROWN.—When the Labour Party first entered politics, they had to combat much prejudice, and some scare was caused by the entrance into the political arena of men new to politics, who claimed to represent labour. That prejudice, to some extent, has disappeared, and the Free-trade, or Anti-Socialist, Party find it necessary to find for the Labour Party some new appellation likely to engender mistrust, and justify, from their point of view, an appeal to the prejudice of the public. Hence the Labour Party are now described as the "Socialist Party."

Mr. JOHNSON.—Do the Labour Party object?

Mr. BROWN.—In time, however, the term "Socialist" will cease to act as a bogey, and no doubt will disappear, to give place to some other.

Motion (by Mr. DEAKIN) agreed to—

That the honorable member for Coolgardie be appointed temporary Chairman.

Mr. BROWN.—I simply desire to express an opinion as to what is responsible for the changes I have indicated, and intimate what may be expected from them in the future.

Mr. JOSEPH COOK.—One fact responsible for them is the honorable member's leech-like sticking to the present Government.

Mr. BROWN.—The honorable member for Parramatta was prepared to stick closer than a leech to the members of the present Government when they were united with his party.

Mr. JOSEPH COOK.—I stuck to my leader, while the honorable member ran away from him.

Mr. BROWN.—All that can be hoped for in the future, in the matter of reduced taxation, is a kind of guerilla warfare. That which was once a solid, and, to a certain extent, democratic party, in defence of the rights of the community in the matter of taxation has ceased to exist as such; and in the Opposition there is now a large protectionist element, which, I understand, will be an important factor in the counsels of the party on this side, not only for the present, but in the future. I can only regret that what otherwise might have been an important and successful fight in the interests of fair taxation has been indefinitely postponed, and that, when the question is raised again, it can only be by other leaders and other men.

Mr. JOSEPH COOK. — The honorable member has not shown that he would do anything to put a protectionist Government out of office.

Mr. BROWN.—The protectionists on the Opposition side of the House are fighting, not against the Government, but against democratic reform—the question of free-trade or protection is only secondary. Those protectionists, rightly or wrongly, consider that they can fight with greater advantage under the wing of the honorable member for Parramatta than under the wing of the honorable member who leads the present Government. There are a number of items in the Budget which vitally affect the future welfare of the Commonwealth, and which call for comment; but, so far as most of these are concerned, I shall reserve what I have to say until the Estimates come before us in detail. In passing, I recognise, with others who have spoken, the importance of dealing with the States' debts. I think, however, that we should go slowly in the matter—that we should be very sure of our ground, and obtain all the information possible—before we commit the Commonwealth to any particular scheme. I regret that the States Premiers appear to be disposed to discuss this matter in a somewhat provincial manner. They seem to desire to unload all their burdens on the Commonwealth, without giving the Commonwealth Government any adequate means to meet the additional responsibilities they would cast upon them, and without being prepared to hand over reasonable assets to cover their obligations. If the Commonwealth Government will take over the States debts, pay the interest on them the best way they can, will seek no curtailment of the rights of the States with respect to future borrowing, and will not demand States railways or lands as security for the debts taken over, most of the States Governments will readily accept that as a solution of the difficulty. That, however, would not be fair to the Commonwealth, or to the persons from whom the money has been borrowed. I think that the better plan to adopt in dealing with the matter would be to appoint an expert Committee to investigate the whole question and report to Parliament. In the meantime, the Federal Government should keep in close touch with the States Governments, and should try to make them understand the position, in order that some

common agreement might be arrived at. It would not be well for us to move in these matters without the consent of the States Governments, and I do not think that it is desirable that we should take any step which might be considered hostile to them. It must not be forgotten, however, that in the near future the position will be very much more serious than it is at present. The honorable member for Mernda, in the able paper which he has submitted, quotes from the *Victorian Year Book* a statement to the effect that within the next eleven years States debts to the amount of £78,000,000 will mature, and that within the next thirty years no less than £200,000,000 of the £236,000,000 representing the total indebtedness of the States will have to be provided for. In the floating of their various loans in the past the States Governments have been to some extent their own masters. They have been able to choose the time at which a loan should be floated, and to withdraw proposals from an unfavorable market. But it is a difficulty of the question with which we are called upon to deal that provision must be made for the various loans as they mature. Those who control the money market are well aware of what are likely to be the conditions of the market for some considerable time to come, and will make their preparations to meet them. There is no philanthropy about money transactions, and it is probable that the money market will be found to be so controlled that the States will find some difficulty in meeting their loan obligations as they fall due. In the circumstances, it would be wise on the part of the States and Federal Governments to endeavour to anticipate possible unfavorable conditions of the money market. That contingency is one which might very well engage the attention of both Governments. In connexion with the proposal for the establishment of penny postage, I should like to say that I do not join with those who consider that it is likely to involve loss to the Commonwealth. I am unable to see the financial difficulties which apparently loom so largely in the view of some of my brother members. The experience of penny postage in Canada, New Zealand, and, in a lesser degree, in Victoria, does not bear out these gloomy forebodings. I believe that in a very short time penny postage, if established as proposed, instead of involving a loss of revenue, will be found

to pay for itself, and probably, as in the case of Canada, to return a handsome profit, which will enable us to provide increased postal and telegraphic facilities, and, possibly, also some contribution to the fund necessary to enable us to give effect to a Commonwealth old-age pensions scheme. I shall leave the matter for further consideration at a later stage. One matter which has been touched upon to some extent by other honorable members is the necessity for increasing the population of the different States. Some move in this direction has recently been made by the States Governments, and a vote appears on the Estimates to enable the Federal Government to render some assistance. Population is a vital factor in the progress of the Commonwealth. We cannot afford to see our population diminish, or even to remain stationary. We must use every legitimate means to increase it. It is unreasonable for us to suppose that we shall be permitted to continue to hold empty a continent with such great latent possibilities. I have not said all I should like to say on this subject, and, perhaps, as we have now reached the usual time for adjournment, the Prime Minister might not object to report progress.

Mr. DEAKIN.—The honorable member can finish his general remarks now, and can deal with details later on in the Estimates.

Mr. BROWN.—I believe that other honorable members desire to speak on the Budget—I wish to deal more fully with the subject of immigration, and should like to be able to continue my remarks when the Committee next sits.

Mr. DEAKIN.—The honorable member has twenty minutes yet in which he can speak.

Mr. BROWN.—As the Prime Minister in all probability must then report progress, and allow an adjournment, he might as well do so now.

Mr. DEAKIN.—Very well, then we shall have to sit late next week.

Mr. BROWN.—I shall be very glad to do so.

Progress reported.

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Bill presented, and (on motion by Mr. DEAKIN) read a first time.

PREFERENTIAL BALLOT BILL.

Mr. GROOM (Darling Downs—Minister of Home Affairs) [4.9].—With the per-

mission of the House, I should like to move—

That leave be given to bring in a Bill for an Act to amend the law relating to Parliamentary Elections.

Mr. JOSEPH COOK.—I object.

ADJOURNMENT.

ELECTORAL BILL: CONDUCT OF BUSINESS: NAVAL AGREEMENT: AUSTRALIANS ON WAR VESSELS.

Mr. DEAKIN (Ballarat—Minister of External Affairs) [4.10].—I move—

That the House do now adjourn.

I am sorry that the honorable member for Parramatta objected to the introduction of the Electoral Bill. The effect of his objection will be to postpone honorable members' acquaintance with it.

Mr. JOSEPH COOK.—I do not particularly wish to make its acquaintance.

Mr. DUGALD THOMSON.—We are continually being asked to break the rules of the House in this way.

Mr. DEAKIN.—The Bill reached us this morning a little late. All we desire is to have it read a first time, so that it may be circulated.

Mr. DUGALD THOMSON.—If our rules are not to be observed, they may as well be abolished.

Mr. DEAKIN.—Then there are other means for making the objects of the Bill public.

Mr. CROUCH (Corio) [4.11].—Yesterday, when I asked what number of Australians are serving on the war vessels on the Australian station, I was informed that, although we are entitled under the Naval Agreement to place 1,000 officers and men on those ships, no Australian officer has yet been appointed, and only 430 men are employed on board them. The Naval Commander-in-Chief speaks of the difficulty of getting experienced men to take the place of those already on board. There are, however, a number of real seamen who are waiting to be appointed. A fisherman who knows a good deal about seamanship has informed me that about twelve months ago he passed an examination upon the *Katoomba*, and was accepted, being told that he would be called upon shortly, while several others were in the same position; but they have since heard nothing about the matter. Altogether, contrary to the terms of the Naval Agreement, there are 570 British

seamen on these vessels whose places ought to be filled by Australians. When the agreement was being considered, we were told that it provided for the training of 1,000 Australians, but, although it has now been in force for some years, only 430 are being trained. It is due to Parliament and the country that the Prime Minister should make some representations to the Imperial authorities on this subject, or approach the Naval Commander-in-Chief in regard to the matter.

Mr. JOSEPH COOK (Parramatta) [4.13].—I objected to the introduction of the Electoral Bill, chiefly by way of protest against the malingering which has characterized the action of the Government this session. I think that, instead of projecting new legislation, they should have taken steps to complete the legislation already begun, particularly the legislation affecting the Tariff.

Mr. CROUCH.—Malingering means pretending to be sick; but the honorable member is complaining that the Government are pretending to be strong.

Mr. JOSEPH COOK. — The word is capable of another interpretation. The actions of the Government in regard to the spirit duties have been in the nature of a burlesque. Indeed, they have treated the alteration of the Tariff as quite a casual matter. The report of the Tariff Commission in regard to spirit duties was presented on the 16th May, but it was not until the 2nd August that a motion was moved in regard to them, the Government doing nothing for a period of nearly three months. Yet the Prime Minister goes about to public meetings saying that he would be very much surprised if any of these reports took more than a night to deal with, and expressing his anxiety to give relief to injured industries. At Footscray he adopted an almost pathetic tone. He said, "We have no time to deal with doctrinaire proposals, but intend to give relief to injured industries." As it took the Government nearly three months to do anything in regard to the spirit duties, I should like to know how long it will be before they formulate their proposals in regard to the Tariff items last reported upon by the Commission. A week ago the Minister of Trade and Customs moved a motion, for which he said he was not responsible, and which might be altered when he had time to look through the report, and then he bolted to his electorate to

do a week's electioneering. • It seems that just now his political seat is of more consequence than the condition of any of the strangled industries of Victoria, or than the position of the harvester and agricultural implement manufacture. What the Government should have done was to formulate proposals of their own at the earliest possible moment. If there had been any urgent reason for the Minister's absence last week, I could have understood it; but I submit that there was none, and that the questions before us were more important than even the Corowa show. If the Minister could not stay to look after the urgent and important business brought before us, his colleagues should have dealt with it in his absence. The present uncertainty in regard to the Tariff is very distressing to all classes of business in this country. A definite set of proposals should have been brought forward at the earliest moment, and I should like to hear that that will be done. The spirit resolutions having been passed, why should not a Bill be framed and introduced to give effect to them as soon as possible? Instead of that the Government are projecting new legislation of a totally different kind—legislation upon which the country has never been asked to pronounce judgment, and which is neither urgent nor very important.

Mr. DUGALD THOMSON.—It has already been rejected by the Federal Parliament.

Mr. JOSEPH COOK.—Exactly; and yet it seems that it must take precedence of proposals which relate to industries which it is said are being strangled. I make my protest against this casual method of treating urgent public business, and against the obstacles placed in the way of our disposing of the remaining business of the session at the earliest possible moment.

Sir WILLIAM LYNE (Hume—Minister of Trade and Customs) [4.22]. — I had not intended to make any remarks this afternoon with reference to certain cowardly attacks that were made upon me during my absence for a few days. But the honorable member for Parramatta has repeated these cowardly attacks, and I propose to say a few words.

Mr. DUGALD THOMSON.—I should like to know whether the honorable member is in order in alluding to the remarks of the honorable member for Parramatta as cowardly attacks, replied by

Mr. SPEAKER.—I heard the Minister say that he had been subjected to cowardly attacks. If his remarks applied to the honorable member for Parramatta they must be withdrawn.

Sir WILLIAM LYNE.—The sensibilities of honorable members are becoming very tender. If, according to the rules of the House, I have to withdraw the remarks, I shall do so in deference to you, sir. The honorable member for Parramatta has made statements to-day, and previously, with reference to the conduct of the business placed in my hands, but he is very much mistaken if he supposes for a moment that I will submit to any dictation from him. I shall do as I think best. With reference to the remarks that were unfairly made—I presume that that is not unparliamentary—with regard to my going away the other evening, I should like to ask where are the leader of the Opposition and the honorable member for Macquarie?

Mr. DUGALD THOMSON.—Neither of those honorable members are in charge of an important Department.

Sir WILLIAM LYNE.—I do not intend to quietly submit to the leader of the Opposition and others travelling around the country and doing their best to injure me. I shall deal with any one who adopts such a line of conduct towards me as I have done in the past. The honorable member for Parramatta stated that I should have left the proposals with regard to the spirit duties in the hands of one of my colleagues. All I need say is that the Prime Minister took charge of the resolutions, and had placed in his hands a copy of the suggestions which I had not received from the Comptroller-General until after I had addressed the Committee. I think that the Prime Minister handled the proposals as well as I could have done, and that they have been dealt with satisfactorily.

Mr. DUGALD THOMSON.—The case referred to was the fourth during this session in which the Minister had handed over his work to other Ministers.

Sir WILLIAM LYNE.—It was nothing of the kind. The honorable member is not so constant in his attendance that he need crow about it. It seems to me that members of the Opposition are constantly absent. If I ask one of my colleagues to take charge of a measure in my absence, what right have honorable members of the

Opposition to object to my conduct? It is like their impudence to do so. Reference has been made to the delay in bringing forward the spirit duties. Any delay that occurred was unavoidable, because important measures had to be dealt with in the meantime. Included among these was the Australian Industries Preservation Bill, in regard to which one of the Melbourne daily newspapers told a deliberate untruth when it stated that I had forced on that measure against the wish of the Prime Minister. The Prime Minister stated before the session was opened that that Bill would be the first submitted to Parliament, and I merely repeated what he had said. I am not prepared to submit without protest to unfair comment by the journal which prematurely published the report of the Tariff Commission with regard to metals and machinery—an action which has never been taken before by any journal of repute. The Bill embodying the resolutions of this House with regard to the spirit duties is practically ready now, and if I am not here on Tuesday next, the Prime Minister will introduce it.

Mr. DUGALD THOMSON.—I understood that the Prime Minister was waiting for the honorable gentleman's return.

Sir WILLIAM LYNE.—I have seen the Comptroller-General, and the Bill will be ready for presentation on Tuesday. I took the draft away with me in order to look through it.

Mr. McLEAN (Gippsland) [4.26].—I should not have said a word, but for the lecture with which the Minister of Trade and Customs has favoured us, and his statement that it was like the impudence of members of the Opposition to criticise his action. What were the facts? The Minister made a pilgrimage to Adelaide at the end of last week, and stayed there over the Sunday. He came back and told us that he was saturated with information about the spirit duties, that, in fact, he had obtained more information on the Sunday than the Tariff Commission had been able to collect in fifteen months.

Sir WILLIAM LYNE.—I think that it was better information.

Mr. McLEAN.—He told us further that he would place this information before us, and invited us to go on discussing the matter—to kill time—until he thought proper to return. The hurried manner in which he scuttled away for the train on Tues-

day, reminded me of the words of the old nigger song:—

He seen a smoke way up de ribber,
Where de "Linkin" gun boats lay,
He took his hat an lef very sudden,
And I 'specks he's run away.

Mr. DEAKIN (Ballarat—Prime Minister) [4.27].—I do not desire to take any part in personal recriminations, but think that the deputy leader of the Opposition has done justice neither to himself nor to the party he represents by putting forward as a plea for stopping the mere publication of a measure a statement of his opinion with regard to the order in which the business of the House should be taken. Under present circumstances, it is not in the interests of the public or of the House, nor is it worthy of an honorable member to interpose the forms of the House to prevent the publication of a Bill which happened to arrive a few minutes too late to be placed in the hands of Ministers this morning. No advantage was sought to be taken of honorable members, but we simply asked, as a matter of courtesy, to be allowed to take a certain course which we were unable to adopt this morning. That courtesy was refused, very improperly, and inconsistently, and in a manner that showed that the honorable member for Parramatta was not anxious to assist us in transacting the business we have before us. Then the honorable member went on to question my own anxiety and that of the Government to dispose of the Tariff proposals as expeditiously as possible. I do not think, however, that any honorable member who has cast his eye, as I have had to do, over the last set of recommendations of the Tariff Commission which were laid before the House in an unexpected manner, in consequence of the improper action of a newspaper, will suggest that the Government, who were not aware of the recommendations until they were communicated to the House, has yet had time to sift them thoroughly, and properly examine them, so as to be able to submit its own proposals to the House. It is only a few days since the recommendations of the Commission in respect of agricultural machinery came into our hands. Those recommendations had engaged the attention of that body for some time, and resulted in a very serious division of opinion among its members.

Mr. WATSON.—I do not think that the Government should be expected to adopt them *holus bolus*.

Mr. DEAKIN.—But the point is that the Commission, after weeks of consideration, were unable to arrive at agreement in respect of these recommendations, which only reached us at the same time as they were placed before the public. Since then we have been engaged in discussing the spirit duties, and any leisure on the part of the Customs officers is now being devoted to considering the recommendations referred to. So far from having delayed their examination, I have personally urged upon the Comptroller-General the necessity for supplying us with the fullest criticism which he and his officers can bestow upon them at the very first opportunity. I have not yet received a line of that criticism, nor could I have reasonably expected to do so.

Mr. JOSEPH COOK.—In any case, the reports could only reach the Prime Minister through the Minister of Trade and Customs.

Mr. DEAKIN.—Exactly. But I have already explained that I was acting for the Minister of Trade and Customs. I can assure the honorable member for Parramatta that we shall continue to urge the Customs officers to expedite their comments upon the Tariff Commission's recommendations, and that there will be no delay in submitting the Government proposals to this House. On the contrary, I believe that we shall be able to deal with those now in hand before any others are received from the Commission. In the meantime, we are bound to keep the general business of the House going, and to lay before honorable members the short Bills which we are introducing. Two or three of them are, in a sense, purely formal—at all events they are Bills not likely to arouse any party antagonism. One of them is designed to cure a purely technical question of law in reference to certain constituencies. Another is intended to repeal the Property for Public Purposes Acquisition Act, and to re-enact it with necessary amendments. One or two other measures relate to the dates at which the Federal elections shall in future be held, the desire being to avoid holding them at harvest time. That Bill involves an amendment of the Constitution, which, although formal, has to be submitted to the electors for their ratification. The consideration of these Bills ought not to be delayed. When we asked permission to introduce a more disputable measure—one relating to the

method of conducting the elections—our object was to get it before the public early, because if it is to be rejected, we ought to be apprised of that fact without delay, inasmuch as the instructions to the returning officers have to be issued, and the electors warned. Nobody will deny that this is a matter of great urgency, and that we were justified in pressing it before the country.

Mr. McLEAN.—Will the Government proceed with a Bill of that character—which will be highly contentious—before the consideration of the recommendations of the Tariff Commission is resumed?

Mr. DEAKIN.—That depends upon the time when we receive further recommendations, and the extent to which we are able to agree with them.

Mr. JOSEPH COOK.—But some reports of the Commission are already in hand.

Mr. DEAKIN.—That is the group of which I have spoken. The Government proposals will be submitted as soon as possible. It is undesirable that we should depart from the recommendations of the Commission unless we are absolutely obliged to do so. In regard to the duties upon spirits, we believed that it was incumbent upon us to do so for the protection of the revenue. But there has been no delay upon that account.

Mr. DUGALD THOMSON.—The Government are introducing contentious measures when they already have their hands full.

Mr. DEAKIN.—In the last session of this Parliament we have no choice of the time when we shall introduce contentious measures.

Mr. JOSEPH COOK.—Who is asking the Government to put such measures through?

Mr. DEAKIN.—The Government are introducing the Bill relating to the conduct of elections because they think that it ought to be introduced. We are acting under compulsion as to time under pressure of work, and, though I make no complaint of the manner in which the business of the House has been dealt with hitherto, to-day a general and important debate has been carried over to next week, although nothing definite can result from it at present.

Mr. JOSEPH COOK.—The debate has been carried over at the request of the Government's own supporters.

Mr. DEAKIN. — Backed up by some honorable members opposite. I am not attributing blame to any side in that connexion. I am merely speaking of the posi-

tion in which we find ourselves. Only a few more weeks of the present session remain.

Mr. KING O'MALLEY.—Can the Prime Minister tell us when the session will close?

Mr. DEAKIN.—It is impossible. But I trust that we shall not hear even the eloquence of the honorable member again at such length as we heard it upon the Budget, though his remarks, like those of others, were devoted to the education of the public. We must neglect our own interests if our remaining business is to be transacted within a reasonable time. I hope that upon another occasion the honorable member for Parramatta will not endeavour to throw unnecessary obstacles in the way of our work, and thus compel us to remain in session later than we otherwise should.

Question resolved in the affirmative.

House adjourned at 4.39 p.m.

Senate.

Tuesday, 21 August, 1906.

The PRESIDENT took the chair at 3.30 p.m., and read prayers.

WIRELESS TELEGRAPHY.

Senator STANFORTH SMITH asked the Minister representing the Postmaster-General, *upon notice*—

In view of the importance of securing an uniform system of wireless telegraphy throughout the Empire, will the Government refrain from definitely committing the Commonwealth to any scheme until an opportunity is afforded of discussing the subject in all its aspects at the Imperial Conference, to be held next April?

Senator KEATING.—The answer to the honorable senator's question is as follows:—

The whole question is under consideration, and the Postmaster-General is not in a position at present to make any definite statement in the matter.

PRESENTATION OF ADDRESS-IN-REPLY.

The PRESIDENT.—Before the business of the day is called on, I wish to intimate to the Senate that His Excellency the Governor-General has fixed 5 o'clock to-morrow, at Government House, as the time for the presentation of the Address-in-Reply to the speech with which he opened Parliament.

At a later stage,

The PRESIDENT. — I have to announce to the Senate that in response to a telegram sent by me, His Excellency the Governor-General has altered the time for the presentation of the Address-in-Reply to a quarter to one o'clock on Thursday next.

PERSONAL EXPLANATION.

Senator MCGREGOR (South Australia) [3.32].—As a matter of personal explanation, I desire to say that last week Senator Pulsford made a request that I should lay upon the table of the Senate a copy of an affidavit by Mr. William Marshall, which I had read during the course of my speech on the Australian Industries Preservation Bill. If it, had been made after I had concluded my speech, I certainly should have complied with the request, and if the honorable senator can suggest any way by which I can take that course now, I shall be prepared to do so.

Senator PULSFORD.—Mr. President—

The PRESIDENT.—I do not know that this is exactly regular. By the indulgence of the Senate, a personal explanation may be made, but I do not think that one honorable senator can call upon another honorable senator to indicate what may be done.

Senator MILLEN.—In a matter of this kind, sir, is it not competent for an honorable senator to ask your advice? Senator McGregor has disclosed a difficulty. He has been requested to place a certain document upon the table, and he has stated that if a suggestion can be made to him as to how that can be done, he will be willing to adopt it. I appeal to you, sir, as presiding officer, to say whether I am not correct in intimating to the honorable senator that it is competent for him or any other honorable member of the Senate to place a paper on the table at any time?

The PRESIDENT.—No. The Standing Orders provide who may lay papers upon the table. No private senator can do so.

AUSTRALIAN INDUSTRIES PRESERVATION BILL.

SECOND READING.

Debate resumed from 17th August (*vide* page 3014), on motion by Senator PLAYFORD—

That the Bill be now read a second time.

Senator DE LARGIE (Western Australia) [3.35].—I think it will be admitted that the subject-matter of the Bill is well calculated to cause an interesting debate. It will also be acknowledged that, so far, we have nothing to complain of in that regard, because the speeches have been very able and very interesting, and I think fairly descriptive of the attitude taken up by various parties here on questions such as the Bill is supposed to deal with. It clearly sets out the Government policy. At all events, if we remember the pronouncement of the Prime Minister at Adelaide, when he declared for legislation for the controlling of trusts, the policy may be briefly described as one to allow trusts or monopolies to remain in the hands of private monopolists whilst bringing forward legislation for the control of trusts. While the Labour Party are quite prepared to go the whole way with the Government, and assist them in passing legislation of that kind, we are also prepared to go much further. At the same time, when it is remembered that very important trusts or monopolies are in the hands of private persons, it must be recognised that legislation of this kind is an absolute necessity. I believe that the Bill is merely the forerunner of much legislation of a similar kind which will be forced upon the attention of Parliament. At all events, that has been the experience of the United States, and I think it will be the experience of Australia. Just as our industries develop into trusts, industrial life has developed from the competitive stage to a much less severe competitive stage, and capital has been concentrated into bigger and still bigger concerns. I believe, therefore, that legislation of this kind will be forced upon Parliament from time to time. Just as we have had in the past, and, I think, will have in the future, labour legislation, to make the present state of affairs tolerable—

Senator GRAY.—Does the honorable senator call this a labour Bill?

Senator DE LARGIE.—I am not referring to it as a labour Bill. I am saying that in the present state of affairs labour and anti-trust legislation will be forced upon Parliament in order to control those monopolies which have fallen into the hands of private capital in contradiction to the policy of both the Labour Party and the Government. We recognise that this tinkering measure does not provide for

anything like a radical cure. We hold that the root of this economic disease must be touched before anything like a complete cure is provided. I look upon this measure just as I regard the application of ointment to the surface of a sore; it may ease the trouble for the time being, but it will by no means effect a cure of the disease. But in direct contradiction to the policy of the Labour Party, and that of the Government as manifested in the Bill, we have Senator Symon, as leader of the Free-trade Party, rising and declaring for no kind of interference by means of legislation to control trusts while they are in the hands of private companies, and at the same time dissenting from the Labour Party's much more advanced and drastic proposals for the nationalization of the industries when they have reached the stage of private monopolies. True to his free-trade ideas of no control of trusts by legislation; true to the old let-alone policy so characteristic of the Manchester school of politicians, he affirms that in such matters the Government should not interfere in any way. He also declared that the Bill would only be applicable in regard to the free competition of trade in Australia. He even went further than that, and said that in Australia we had no trusts to control. I think I shall be able to show that in Australia we have not only trusts, but trusts which are injurious to other sections of industry, and which are preventing legitimate competition. The Constitution provides a very good precedent for this kind of legislation. Its framers foresaw the necessity of giving power to this Parliament, if need be, to interfere with Government monopolies—to interfere with the Government railways of the various States if it were found that they were acting unfairly as between State and State. Section 98 says—

The power of the Parliament to make laws with respect to trade and commerce extends to navigation and shipping, and to railways the property of any State.

Section 101 provides for the appointment of an Inter-State Commission to carry out the provision of that section, and also section 102 which reads as follows:—

The Parliament may by any law with respect to trade or commerce forbid, as to railways, any preference or discrimination by any State, or by any authority constituted under a State, if such preference or discrimination is undue and unreasonable, or unjust to any State . . .

Seeing that the Parliament is clothed with those powers, surely we are not going out

Senator de Largie.

of our way in passing this measure. If it is necessary for Parliament to have power to legislate as to State monopolies, how much more right have we to control private monopolies which are in the hands of irresponsible persons, and which are acting very unfairly towards various sections of the community?

Senator MCGREGOR.—And very often giving secret rebates.

Senator DE LARGIE.—I shall deal with that question later on. I think I shall be able to prove that the trusts and rings in Australia are of a very injurious nature. We are simply performing the duties which are imposed upon us by the people in passing legislation to compel them to give fair play to various sections of the community.

Senator FINDLEY.—But this Bill will not touch the established monopolies or trusts.

Senator DE LARGIE.—I admit that various views may be taken as to the scope and purpose of the Bill. But if it can be made more stringent in order to deal with existing trusts, let that be done. All I am now contending for is that in our midst we have private monopolies, and that it is a proper thing for this measure to be passed. In my opinion, the most injurious monopoly we have is the shipping ring, because it practically controls the whole of the shipping on the coast of Australia. Amongst other things, the Navigation Commission discovered that the tonnage on the Australian coast comprised 188,000 tons, and that out of that tonnage less than 10,000 tons were outside the shipping ring. In America, the land of trusts, possession as to the means of transportation, in the shape of railways, gives trusts enormous power, but we in Australia, owning our railways, have to a considerable extent been free from that exercise of power. But the means of transportation between Tasmania or Western Australia and the other States is in the hands of private monopolists, who are known as the Ship-owners' Federation, and I believe I am amply justified in saying that they have used that power very unscrupulously, and in a way unfair to the merchants of Australia, to the employes engaged by them in some regards, and to other ship-owners.

Senator GUTHRIE.—We have the cheapest coastal freights in the world.

Senator DE LARGIE.—I do not think so. It was stated in evidence before the

Navigation Commission that the freight between Melbourne and Fremantle is in some instances higher than the freight between Melbourne and London.

Senator GUTHRIE.—That is not a coastal trade, but deep-water trade. I said that we have the cheapest coastal freights in the world.

Senator DE LARGIE.—For more than three times the distance less freight is charged.

Senator GUTHRIE. — With cargo each way. The people of Western Australia do not send back ten tons by each boat. They have nothing to send.

Senator DE LARGIE.—Not only does the shipping ring control the coastal trade, so far as transportation is concerned, but its ramifications extend into the coal trade. Some years ago a friend of mine desired to open a coal trade in Western Australia. At that time the coal trade in that State was a very good one for those who were engaged in it. An independent colliery proprietor in Newcastle, who was not connected with the shipping companies, asked me to obtain certain information in connexion with the coal trade of Western Australia, which I did. Afterwards he told me that he had found that, while the market in the State was a good one—much better than he could obtain elsewhere—the freight was in the hands of the shipping ring, and he was excluded from entering the market. It will be seen, therefore, that the power in the hands of the ring at the present time is very great indeed.

Senator GUTHRIE.—The greatest customers for coals are not having them carried by the shipping ring at all. I refer to the Broken Hill Company.

Senator DE LARGIE.—There is one company outside the ring that is carrying coal, but it does a very small trade in Western Australia. The principal coal merchants there get their coal from the Adelaide Shipping Company, and from McIlwraith, McEacharn, and Company, which are members of the ring. When the Navigation Commission was engaged in taking evidence, the witnesses sent by the Chambers of Commerce spoke more strongly than any other witnesses with regard to the action of the shipping ring. I have here an extract from a letter sent to the Prime Minister by the Melbourne Chamber of Commerce. It is dated 9th November, 1904, and is as follows:—

I am directed by my council to bring under your notice a most pernicious system that has grown up in shipping circles, under the name of

freight rebates. These rebates, in fair and honest trading, are absolutely unnecessary, and in many instances are a gross injustice to consignees. Where goods are sent by a producer, who is some distance from the seaboard, to be shipped by an agent at the shipping port, these rebates too often take the form of a secret commission; and where the rebate is allowed to a shipper direct, it is granted only on the understanding that he confines his business to certain companies within the shipping ring, or trust, the conditions under which this rebate is allowed are that the company, whilst collecting the freight on a cash basis, when the goods are shipped, will only return the percentage, after twelve months, and during that time the shipper must confine his shipments to the ring.

Senator Symon has declared that this Bill will prevent competition. I hold that we have not got competition in Australia now. As far as the coastal trade is concerned, the shipping ring prevents it. The Bill, in my opinion, will not be found to be drastic enough for its purpose. We shall require a measure somewhat like the Elkin Act of the United States, which makes it a penal offence for any transportation company to give any rebate. Respecting the treatment of the merchants of Australia by the shipping ring, I should like to quote the evidence of Mr. Alexander, who was appointed by the Fremantle Chamber of Commerce to give evidence on this matter. He said—

I regard the coasting shipping companies as an octopus. I regard them as a menace to Australia. Merchants in Western Australia dare not ship with any company outside the ring. I got into trouble with the ring because I shipped with the *Julia Percy*, an opposition boat trading between Fremantle and Geraldton.

I know a merchant that committed the heinous crime of buying Jones' Tasmania jams that had been brought to Western Australia by a ship outside the shipping ring. He was either cut off or threatened to be cut off.

The representatives of the Chambers of Commerce had no doubt as to the operation of rebates in connexion with these transport companies. Mr. McPherson, of the Melbourne Chamber of Commerce, said in his evidence—

Speaking as a manufacturer, as well as a merchant, I am able to say that these shipping combinations tell very adversely against Victorian manufacturers doing business with other States.

Another witness, Mr. McLellan, agent for J. and A. Brown, one of the few commercial shipping companies outside the ring, also gave evidence.

Senator GUTHRIE.—He is the man who invented the rebates.

Senator DE LARGIE.—He is all the greater authority on that account. Having

had a hand in framing the system, he knew what he was talking about. He said—

The bonus system is so perfect in its operation as to prevent any possibility of legitimate competition arising outside the shipping ring.

Mr. Spence, a member of the executive of the Brisbane Chamber of Commerce, said—

I am entirely against the system of rebates that is in vogue among the shipping companies. I think it is iniquitous. They practically come to the merchant with a pistol at his head, and say you shall do so and so. . . . They use the rebate system as a means of coercion. . . . If they came to-morrow, and said we intend to advance your rates 30 per cent., the merchants are powerless and at the mercy of the shipping ring.

Another merchant, Mr. Calthrop, of Fremantle, who was asked by the Chamber of Commerce of that city to give evidence before the Commission, said—

My freights amount to £4,000 or £5,000 yearly, mostly from the eastern States. I am supposed to get from the shipping companies a rebate of 10 per cent. This is entirely optional on their part. If, for instance, you sent me by a non-associated boat, a package the size of a tin tack, and it was on the manifest, and the shipping companies found it out, they would put me on the black-list, and keep all the rebates, which they have withheld in my case for two and a half years.

This testimony will give honorable senators some idea as to how the shipping ring treats the merchants. When they have got a customer they do not let him go. This witness had been two and a half years trying to get the rebates that were due to him from the companies. Another witness, Mr. Bateman, a merchant of Fremantle, and also a ship-owner, gave some important evidence. I read this, not only for the sake of supporting my contention regarding rebates, but also to point out the boycotting practices of the shipping ring of Australia, and how these companies have it in their power to crush out other ship-owners when they make up their mind to do so. Mr. Bateman said—

About the middle of last year I had a small vessel running to Bunbury. I had not been doing particularly well, but the trade was growing. Suddenly one of the Inter-State companies put on another boat in opposition, and at the same time issued a rebate circular which had the effect of stopping all shipments in my vessel by local merchants, because they were threatened if they shipped with me, not only would they lose their rebates on cargo shipped at Bunbury and the Vasse, but on the cargo shipped to or from the eastern States. This had the effect of taking all the trade from me, and I had to pay off the crew, and laid up the vessel, and she has been laid up ever since.

Senator de Largie.

Senator HIGGS.—That is trade union tyranny!

Senator DE LARGIE.—That is business as practised by the shipping ring of Australia. If it were done by a trade union secretary, the press of Australia would be howling its loudest, but not a word was said about these practises. Not a word appeared in the capitalistic press in reference to them. Naturally we do not expect the capitalistic press to expose its own customers, even to show the tyranny that is practised in Australia in connexion with the shipping on our coast. Here is a West Australian who was actually driven off his own coast by the Adelaide Steamship Company. That was the company which put on an opposition steamer, and it was its manager in Western Australia. Mr. Downer, who sent the letter to the merchants who were doing business with this man.

Senator FINDLEY.—Did he advertise as largely in the newspapers as the shipping companies did?

Senator DE LARGIE.—No doubt the newspapers would make the shipping ring pay up. They all have their price.

Senator GRAY.—Does the honorable member seriously make a statement of that kind?

Senator DE LARGIE.—Is the honorable senator so innocent as to doubt that such a thing could happen?

Senator GRAY.—I do doubt it.

Senator DE LARGIE.—Senator Symon has made the statement that we have no injurious trusts in Australia. Will any man dare to say that this shipping trust is not injurious to the other ship-owners and collier-owners who come into competition with its vessels, seeing that it can simply cause the newspapers to close their columns against any outcry when it so unscrupulously deals with other ship-owners? I think there can be no possible doubt about that.

Senator GRAY.—Did the labour newspapers draw attention to these matters before the evidence given to the Navigation Commission was taken?

Senator DE LARGIE.—I do not know what the labour newspapers did, but I do know that they are ever ready to give publicity to anything of that kind. Senator Gray must acknowledge that.

Senator GRAY.—I perfectly agree with that.

Senator DE LARGIE.—I have indicated the treatment meted out to the opponents of the shipping ring, both in the coal and the transport trades. I should also like to point out briefly the treatment that is meted out to the officers on the vessels owned by the shipping ring, the hours of labour worked, and the wages paid. I have here the evidence of Mr. Dakin, which indicates that exceedingly long hours are worked on these vessels by officers when in port, and dealing with cargo. He shows that officers are on duty from twenty to thirty-five hours at a stretch, and that the moment they go to sea after finishing with the cargo, these officers have to go on the bridge and take their watch, although they may be more fit to go to their berths and sleep. Mr. Dakin was asked why it was, if this treatment was meted out to master mariners, they did not form an association to protect their interests. He replied that they had tried to do so, but that their efforts were very quickly squelched; whilst those who took a leading part were black-listed, and kept out of employment. As the shipping ring had control of the trade of Australia, these men would have to go out of the country to get a living.

Senator GUTHRIE. — The Steam-Ship Federation has not a ship running on the coast of New South Wales, and Mr. Dakin was speaking about the New South Wales coast only.

Senator DE LARGIE.—He gave evidence not only about New South Wales, but about the coastal trade generally.

Senator GUTHRIE.—No.

Senator DE LARGIE.—I can quote evidence to prove my statement beyond a shadow of doubt. Mr. Dakin, master-mariner, said in his evidence—

A steamer leaving Brisbane—

That is not on the New South Wales coast—

bound to Cairns is usually in port all day, and proceeds to sea at night. The three officers are on duty all the time. . . . I know of instances where men have continued at work for twenty to thirty-five hours consecutively, and then they have had to go to sea, take charge on the bridge, and carry on regular work.

The PRESIDENT.—Does the honorable senator think that that has anything to do with this Bill?

Senator DE LARGIE.—Certainly.

The PRESIDENT.—The honorable senator is arguing about rates of wages and hours of labour. Surely that has nothing to do with the Bill?

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Senator DE LARGIE.—If I consider that a trust in Australia is unfairly treating its officers, surely I have a right to urge that we should legislate so as to control it?

The PRESIDENT.—This Bill does not attempt to do that. It does not attempt to affect hours of labour or wages.

Senator DE LARGIE.—It may be necessary for me to move amendments to make the Bill do so. I use these arguments to show that there is need to amend the Bill in those respects.

The PRESIDENT.—The honorable senator seems to me to be introducing irrelevant arguments.

Senator DE LARGIE.—If the argument is out of order, I shall not persist in it, but I think I have sufficiently proved that the shipping ring is of an injurious character, and that we are justified in passing legislation to control it. Of course, I admit that it will be very difficult for us to get at the responsible people. Legislation of a similar kind in the United States has undoubtedly failed to effect anything like a radical amendment. The power of the "boss" is very great, and these people have enormous capital at hand. They can undoubtedly make use of their capital to safeguard themselves from the effect of any legislation we may pass.

Senator GRAY.—Are not the shipping companies controlled by our laws in regard to wages and hours of labour in Australia?

Senator DE LARGIE.—Unfortunately, as far as our Conciliation and Arbitration Act is concerned, our ships' officers have not yet been affected by it. They have applied to the Court to cite a case, but up to the present have not been able to secure a hearing. I should like to lay before honorable senators the opinion of the President of the United States, only recently expressed, as to the power of the trusts over lawyers. We know the power of the trusts in various directions; we know that they have practically captured the Senate of America, and have such a controlling effect in Congress that they can defeat or get past almost every kind of law.

Senator MULCAHY.—That is a great reflection on the big Republic.

Senator DE LARGIE.—What I have stated is the fact. When we find charges of this kind made by the President of the United States, surely I am justified in repeating them.

Senator GRAY.—Does the President charge the Senate as a whole?

Senator DE LARGIE.—No; he does it according to the article I am about to read. But President Roosevelt charges the Bar of America with being in the pay of trusts for the one purpose of defeating the laws passed by Congress. It is well known that the trusts of America have got such a pull on the Senate that, as I say, they can pass or defeat any law they wish. That is so well known to the readers of trust literature that it is scarcely necessary for me to make the statement.

Senator HENDERSON.—It is as natural as daylight.

Senator DE LARGIE.—It is quite natural. President Roosevelt's opinion is given in an article in the *North American Review*, under the heading "Lawyers and Trusts." I am sorry that the legal members of the Senate have taken flight for the time being, because I think that what I am about to read would be of some interest to them. The article is written by Mr. Frank Gavlord Cook, and commences as follows:—

President Roosevelt, in his address at the Harvard Commencement last year, made a grave charge against members of the legal profession. "We all know that, as things actually are, many of the most influential and most highly remunerated members of the Bar in every centre of wealth," he declared, "make it their special task to work out bold and ingenious schemes by which their wealthy clients, individual or corporate, can evade the laws which were made to regulate, in the interests of the public, the uses of great wealth." Coming, as it does, from such a conspicuous source, on such a prominent occasion, and with such earnest emphasis, this charge should receive the serious attention of the community and of the Bar. It deeply concerns the community, because, if true, it points to a combination of wealth and legal skill—little short of a conspiracy—against the public welfare, a scheme to defraud and despoil the public for private gain, and in defiance and contempt of the law. And it vitally concerns the Bar, because such employment by its members compromises its honour, reputation, and usefulness.

These are very strong statements made on the authority of the President of the United States, and it does not require me to further labour the point. This all goes to show that the power of capital in the United States is such that it has been able so far to defeat any great alterations being brought about by anti-trust legislation. Whether our experience in Australia will be different or more successful than in America time alone can tell. However, I think that

in Australia we have an advantage. Fortunately for this country, the Labour Party has obtained a footing in the various Legislatures, and that is more than can be said for the democracy of the United States. The consequence is that the power of the trusts is much greater in America than I hope it will ever be in Australia.

Senator MULCAHY.—We are all in accord with that.

Senator DE LARGIE.—I do not think that the Labour Party is any stronger in Australia because of Senator Mulcahy.

Senator MULCAHY.—Why discuss me when I agree with the sentiments expressed by the honorable senator?

Senator DE LARGIE.—I am afraid that the sarcasm in the tone rather discounts the acquiescence of Senator Mulcahy. I am pleased, however, to hear that the honorable senator agrees with what I say, though the agreement did not appear from the tone adopted.

Senator MULCAHY.—It does not matter whether or not the honorable senator is pleased.

Senator DE LARGIE.—I might return the compliment. I set myself the task of proving the existence of a shipping trust in Australia, and I think I have done so by the evidence I have quoted. I have proved that the operations of this trust are of a highly injurious character, so far as concerns other sections of the community, and, consequently, we have every right to legislate so as to minimize the evil effects of such a combination as far as possible. We have certainly got rid of the competitive system in the coastal trade, but the benefits so far have only reached the employers. By this combination the ship-owners have managed, up to the present, to reap all the advantages from the concentration of the trade with the Employers' Federation.

Senator GRAY.—How does the honorable senator propose to affect the actions of the so-called shipping ring by this Bill?

Senator DE LARGIE.—I would impose a similar law to that which is in vogue in America—the Elkin Act. We had evidence before the Navigation Commission that the rebate system has, to a great extent, been broken down in America by means of that law, and if we can follow the example thus set, we shall get rid, I hope, of a very injurious system.

Senator GUTHRIE.—There are also the navigation laws of America.

Senator DE LARGIE.—I hope that in due course we shall also be able to have proper navigation laws here, and I shall support Senator Guthrie in any action he may take with that object in view. Whilst in place of the old competition we have got the evil of private monopoly, I do not think that even if we get rid of the latter, we shall go back to the former system; indeed, I feel sure we shall do nothing of the kind. The old, stupid, and wasteful system of competition is a thing of the past.

Senator GRAY.—Then this Bill would not affect it?

Senator DE LARGIE.—I think the Bill would affect the old system to a considerable extent. At all events, I am satisfied that no matter what the result of the Bill may be—no matter whether it affects trusts to the extent of breaking them up or not—we are not likely to revert to the old competitive system of industry. We are too civilized now to suffer the evils of competition.

Senator GRAY.—I thought this Bill was to bring about fair competition.

Senator DE LARGIE.—If the Bill had that effect well and good, but so far as the old competitive system is concerned, with its accompanying waste in every trade, it must be regarded as a thing of the past. My remedy for the whole situation, in order that the benefits of the abolition of competition may be justly distributed, is the nationalization of trusts, because that is the only remedy which would go to the root of the matter. So long as private companies and capitalists have the controlling power, the united profits of the concentration of capital will undoubtedly accrue to them instead of to the people at large. Of course, we naturally expect Senator Gray to dissent from such a view, but ultimately we shall be forced to nationalize trusts or the trusts will control the whole of us. Trusts are gradually extending their power in the richest country in the world.

Senator MULCAHY.—Trusts will not control the whole of us while Australia has its present franchise.

Senator DE LARGIE.—I dare say the franchise will prove an obstacle in the way; but if the power of capital extends in Australia as it has extended in the United States, we shall either have to nationalize the trusts, or the trusts will possess every interest in the country.

Senator DOBSON.—We shall have to nationalize the Labour Party, I think.

Senator GUTHRIE.—That is the national party now.

Senator DE LARGIE.—I think the Labour Party may fairly and reasonably claim to be the national party. However, I agree that there is no course open to us at this stage but to follow the course indicated by the Bill. I quite recognise that Australia is not prepared to go the length of nationalization; and that being so, we must make the best of the present position. This Bill undoubtedly gives us the power, to some extent, to control the trusts now in existence. I should like, in conclusion, to repeat the words of John Stuart Mill, that no Government can divest itself of the duty to control monopolies for the public good.

Senator DOBSON (Tasmania) [4.20].—I am inclined to think that the importance of the Bill has been somewhat exaggerated, but no words can over-estimate the complexity of the problem with which we have to deal. As I have thought on many occasions, we do not adopt the right mode of making laws for the Commonwealth. It appears to me that our system is not the one best calculated to insure wise laws, nor to make the most of such ability and experience as members of the two Chambers possess. The Bill is eminently one which might with great advantage have been referred to a Committee. I do not mean a Select Committee, but a Committee of the Senate composed of members of varied experience, who, sitting round a table, with authorities, precedents, and histories before them, would have been able to prepare a report most helpful in dealing with this complex problem, and in framing such laws as would bring about the result we all desire. That result is that trusts shall be fairly regulated, and dumping of an injurious kind shall to some extent be prevented. I quite admit that the evils of trusts in Australia have hardly yet appeared. The reasons I have for voting for the second reading, and thus getting the Bill into Committee, are two. First, I agree with the closing remark of Senator Playford, that, having an Act to deal with trusts and their regulation and control, we could to a very great extent prevent the mischief showing its head here; and, secondly, I am influenced by the statement of Professor Ely in his admirable book on the question, namely, that

because we cannot see our way to do everything we might desire in the regulation of trusts so as not to injure our trade and commerce, is no reason for our not attempting to do something. For those two reasons I shall vote for the second reading of the Bill, but I am not prepared to vote for every clause. It is quite certain that there are beneficent trusts, and trusts which have injurious effects. Some writers tell us that trusts were created to put a stop to the waste of competition, it being seen that, by large organizations of capital and industry, economies might be effected which could not be brought about by single individuals. I think, however, that it will be found that human nature is at the bottom of most trusts, which really are formed and continued for the purpose of preventing competition. The Meat Trust, for instance, is one which appears to be based on selfishness and on virtual tyranny; the members have done everything that dishonorable men—for that I call them—with brains could do. They depreciated or appreciated the price of cattle, as suited their purpose, and tried to limit the output and regulate prices—in short, they acted in every way in restraint of trade in order to do away with what we call fair competition. Then the American Sugar Trust agreement is such that it is difficult to find a clause in it of which it can be said that it is illegal or ought to be made illegal. That trust was formed for a beneficent purpose, but at bottom there was a desire to get rid of competition. I have been rather amused by the utterances of Senator de Largie, and I think that when Senator Gray interjected the former gentleman found himself in rather an awkward position. We find the Labour Party supporting a Bill, the object of which is to do away with unfair competition and bring about fair competition—to base the industries of this Commonwealth on a fair stand-up fight between man and man. Senator de Largie must see that, in supporting this Bill, he is absolutely inconsistent in view of the principles he advocates.

Senator DE LARGIE.—How does the honorable senator make that out?

Senator DOBSON.—The fact will appear a little more clearly when I come to deal with the utterances of Senator Pearce, who made a most excellent speech, and gave us a good deal of information. Senator Pearce, however, fell into the same inconsistency as Senator de Largie.

Senator DE LARGIE.—The honorable senator might give us some proof of his statement.

Senator DOBSON.—Senator Pearce told us that these trusts are the result of economic conditions, and that nothing could effectually stop them but the nationalization of industries. If Senator Pearce's very neat phrase that "trusts are the result of economic conditions," has any force in it—and I think it has—it is a half truth; the honorable senator has left out, as the Labour Party always does, the factor of human nature. I do not think that the United States could hold anything like the position in the world it does to-day—that it could not possibly have attained to the position of one of the first industrial nations of the world—unless there had been large organizations of capital. Such organizations are absolutely necessary to the progress, and nothing that we can do will ever stop them. All that we can attempt to do is to try and regulate them. I am quite sure that both Senator Pearce and Senator de Largie have been studying some of the excellent books in the Library, and that they must have come across passages which set forth in better language than I can command, the fact I am now trying to establish, namely, that those large organizations are simply the result of the evolution of commercial and industrial life.

Senator FINDLEY.—They are stored up labour.

Senator DOBSON.—"Stored-up labour." The honorable senator is now repeating one of the fatal blunders of the Labour Party. He is speaking as if everything were done by labour—as if there were not such a thing as skill, as efficient labour as against inefficient labour, or any variability in human nature. This capital is not simply stored-up labour. On this point, I should like to read an extract from a book, *Commercial Trusts*, written by John R. Dos Passos, of the New York Bar, as follows:—

It is a cruel mistake, not to say blunder, to discuss these questions upon the lines of wiping out capital and exterminating it. It is as senseless as impossible. One more thought, and I shall close. In connexion with this crusade against aggregated capital, it is fashionable to cry out against individual wealth. There is not in the political history of this country any appeal so demagogic, unnatural, unfounded, and unsustainable, as that which is made against wealth. The instinct of envy, or the worst passions of prejudice, or demagogism and ignorance, lie at the base of such appeals. That you and I have not been fortunate enough to accu-

emulate wealth, is no reason why we should undertake to criticise, and find fault with, those who have gotten it legitimately, much less to seek to deprive them of it.

I should say that if we do anything which unfairly or unwisely restrains trade or competition, the result must be very disastrous. Our object should be to arrive at the point where competition is fair and where it is unfair. I think that another reason for trying to deal with this complicated matter is that if any party in the Commonwealth say that it is quite impossible to control trusts the Labour Party will have a stronger ground for asking—"Why not nationalize all monopolies?" I have not yet heard a clear statement of what might be expected to happen when monopolies were nationalized. I attended the debate on free-trade or protection between Mr. Scott Bennett and Mr. Max Hirsch, and I was never more surprised in my life than when I heard the former declare that he had not considered how the nationalization of industries would operate, how the men working under a social *régime* would have to be paid, or in what proportions they would be paid. It appears to me that the Labour Party have not considered those points, because, under their policy, it is almost impossible to arrive at any scheme which would do justice between man and man, or which would not end in perfect chaos before the nationalization of industries had been in force two or three months.

Senator MCGREGOR.—Do not the employés on the railways and in the post-offices get fair remuneration?

Senator DOBSON.—From the foundation of colonization in Australia the post-offices—and, since their introduction, the railways—have been worked by Government.

Senator MULCAHY.—They are justifiable State monopolies.

Senator DOBSON.—Yes.

Senator FINDLEY.—Many years ago there were private railways in Victoria, but they were bought by the State.

Senator DOBSON.—My honorable friends cannot get out of the dilemma by arguing in that way. The only argument they have to fall back upon is, "Look at the post-offices and railways." I am speaking of industries which have never been managed by the Government, but which ought to be, and must be, carried on by

private enterprise. I am not going to allow my honorable friends to force down my throat the argument about the railways and post-offices. Those institutions are carried on for the benefit of every class in the community; therefore, they ought to be under the control of the Government. My honorable friends might nationalize one industry, and not be able to observe the defects of the system, except in the creation of a few more public servants. If we nationalize all industries which are monopolies, or if we nationalized all the means of production, distribution, and exchange, it would create disaster, and that is the policy of the Labour Party. There are a great many precedents, however, to justify us in trying to regulate trusts. I find that in Austria, so long ago as 1870, it was illegal to raise prices above the market value; that in America there are sixteen States where it is a criminal offence to regulate prices, six States where it is a crime for two or more persons to enter into an agreement whereby full and free competition is prohibited, and one State—Nebraska—where it is an offence for two or more persons to agree to suspend the sale of a product. We know that since the passing of the Sherman Act fifteen Acts have been passed in the United States to regulate trusts and monopolies. Therefore, we are quite justified in doing what we can to pass a Bill to suit Australian conditions. In the first place, the Bill bristles with legal points; and I believe that two clauses are *ultra vires*. It will be observed that the following words in sub-clause 1 of clause 4—

in relation to trade or commerce with other countries or among the States—

are left out of the first sub-clause of clause 5. That is done because the latter deals with foreign corporations. It is contended that, because the phrase "foreign corporations" is used in paragraph xx. of section 51 of the Constitution, Parliament has power to deal with foreign corporations in any way it likes, and that, although we can only regulate trade and commerce between the States, we can regulate trade and commerce under foreign corporations in one State only. That is, I think, illegal. I do not conceive that that was the purpose for which that power was taken in section 51. I am inclined to agree with Senator Drake that in legislating with regard to foreign corporations, we have to deal with such questions as

their formation, their capital, and so forth. The same argument arises in connexion with clause 6. It says—

For the purposes of the last two preceding sections, unfair competition means competition which is unfair in the circumstances; and in the following cases the competition shall be deemed to be unfair unless the contrary is proved :—

(a) If the defendant is a Commercial Trust.

It is to be taken for granted that there is unfair competition if the defendant is a commercial trust.

Senator PLAYFORD.—If he cannot prove the contrary.

Senator DOBSON.—Some honorable senators have denied that if it be a commercial trust, and if *prima facie* that is to be evidence of unfair competition, the Minister would have to prove all the things stated in clauses 4 and 5, namely, the contract or combination, the intent—

Senator MULCAHY.—Does the honorable senator say that it would be necessary to prove that the defendant was a commercial trust?

Senator DOBSON.—Certainly. The only thing which the phrase “commercial trust,” would save the Minister from proving, is that it was unfair competition. It would still be necessary to prove the contract, the intent, and that it was an Australian industry worth preserving.

Senator MULCAHY.—Is not unfair competition the whole gravamen of the thing.

Senator DOBSON.—Whether that is so or not, certain things are laid down in clauses 4 and 5, all of which, with the exception of the unfair competition, would have to be proved. For instance, it would be necessary to prove that the man had imported the goods with the intent to bring about unfair competition or to destroy an Australian industry, or that the preservation of the industry was to the advantage of the Commonwealth.

Senator PLAYFORD.—If he was acting unfairly, it would be necessary to prove that he was intentionally doing so.

Senator DOBSON.—If the defendant were a commercial trust, it would be necessary to prove all the things mentioned in clauses 4 and 5, with the exception of the unfair competition.

Senator PLAYFORD.—The intent would be proved by the way in which the thing operated.

Senator DOBSON.—My honorable friend is taking a very short cut in order to get out of a difficulty. I quite agree with him that when certain things were done

and there was a natural, clear result flowing from the act, the Court would deem that to be evidence of the intent, but it would be necessary to prove that result. I do not mean to suggest that it would be necessary to stand up like the International Harvester Trust, and say that, having got 90 per cent. of the world's trade, it was going to get the other 10 per cent. But if the importation of the goods and the competition which was brought about was unfair, and certain other consequences followed, the intent would be assumed. But that would have to be proved according to the law of evidence. Clause 6 goes on to say—

(b) If the competition would probably or does in fact result in an inadequate remuneration for labour in the Australian industry :

(c) If the competition would probably or does in fact result in creating substantial disorganization in Australian industry, or throwing workers out of employment.

Senator Pearce dealt with that part of the clause. I am sure that he feels, as I do, that here we are touching upon very delicate ground. It has been understood all along that the Commonwealth has nothing to do with the industrial life of the people of the States, that all legislation as to factories is left to each State, and that even if we desired, we could not possibly have a uniform industrial law.

Senator PLAYFORD.—What about the Conciliation and Arbitration Act?

Senator DOBSON.—That only refers to industrial disputes extending beyond the limits of one State.

Senator PLAYFORD.—The honorable senator said that we have no right to deal with certain industrial questions. He made no concession at all.

Senator DOBSON.—We have no right by a side wind to attempt to deal with the rates of wages or the hours of labour in the different States. Under our authority to regulate trade and commerce between the States we cannot deal with such questions. Those clauses, 5 and 6, appear to me to be *ultra vires*.

Senator GUTHRIE.—In some businesses we can.

Senator DOBSON.—I do not think that it can be done there. In dealing with the question of dumping, we are venturing upon more delicate and dangerous ground than ever. According to my reading, the United States have a magnificent home market of 80,000,000 persons, and it is

protected with the highest Tariff wall in the world. The manufacturers keep their factories and men working at full speed from the 1st January to the 31st December. They make such an enormous profit in their protected and magnificent home market that they can afford to dump their surplus down in other countries, and take almost any price for it. That is the kind of dumping which I think we ought to try to prevent. When Australians go to England or maintain there smart agents who understand what our markets are, and buy the surplus of the season's goods in London and ship them out at a very low price, I do not call that dumping, but competition—the very competition which the Bill is meant to create and put on a firm basis. I admit that it is almost impossible to draw the line between unfair and fair dumping, and there comes in the complexity of the problem with which we have to deal. I am very much interested in the amendment of which Senator Symon has given notice, because, as I understand, he proposes to except the importation of goods from Great Britain. I do not know what course the Government intend to take.

Senator PLAYFORD.—We are going to oppose the amendment, of course.

Senator DOBSON.—The Government declare that they are in favour of preferential trade, and here is an opportunity to deal with preferential trade.

Senator KEATING.—Preferential dumping.

Senator DOBSON.—To some extent it would give a preference to Great Britain. No one can contend that the dangers arising from, and the illegalities of, the trusts in Great Britain are a thousandth-part of those of the trusts in America. Is not that a reason for making an exception in favour of Great Britain? I defy honorable senators to draw a comparison between the importation of a quantity of last season's London goods at cheap rates and dumping, because countries like America make goods to sell at an absolute loss. We know that in almost every case they take less for the goods they export than, notwithstanding the cost of transport, they can get in the home market. The latter is the kind of dumping which we ought to try to regulate or exclude if possible. On this subject Senator Drake pointed out a matter which I think very much detracts from the usefulness of the Bill, and that is that

we cannot discriminate between State and State. If it be found that goods are being dumped into the Commonwealth, their importation must be prohibited. The Justice or the Government might consider only the circumstances of the State in which the dumping occurred, consequently the Minister might prohibit the importation into the Commonwealth of goods which two or three States most urgently required. He might prohibit the manufacturers in those States from getting, perhaps, some of their raw material in the shape of partly made-up goods, and thereby do infinite harm to the trade of the Commonwealth. I am at a loss to understand how we are to frame clauses which would do exactly what we desire. The progress of the Commonwealth must depend upon the free play of competition, with very few exceptions. It must depend upon every man being allowed to do the best he can for himself, and to use his brains and capital in the best possible way, and the exceptions must be when unfairness has crept into the competition. The difficulty, however, is to say how the unfairness is to be determined, and to discriminate between it and what is really fair competition and fair trade.

Senator DE LARGIE.—That would land the Commonwealth in a state of anarchy.

Senator DOBSON. — Nothing of the kind. It must be borne in mind that there are scores of things which create hardship. If, however, we attempted to regulate those things, we should stop the progress of mankind. We all know what great suffering was brought about by the introduction of machinery. On the whole, sewing and other machines have done good to the world, but at the same time they have caused infinite suffering to hundreds, nay, thousands of men and women. In the same way, on the whole the aggregation of capital in large trusts has its good, as well as its bad side. Too much time is, I think, being devoted to the debate on the second reading of this Bill, but if it gets into Committee I shall be prepared to do my share of the work in dealing with its various clauses.

Senator MULCAHY (Tasmania) [4-47]. —I join with Senator de Largie in congratulating the Senate upon the highly intelligent and learned way in which the subject-matter of the Bill has been discussed. We are dealing with a most complex question, and it will be no reflection upon the Senate, I think, if I suggest

that it is being dealt with in a most complex way. The most able speeches which have been made have certainly been against the Bill. Only Senators Trenwith, McGregor, and Best have really spoken in its favour. The able speeches have been made by those who are strongly opposed to the Bill, and who do not believe that it will do any good, but who are, all the same, going to vote for it. It seems to me that it would be just what one might expect from the tone of the debate, and the action of honorable senators, if Senators Millen and Pulsford were to vote for the Bill, as Senator Dobson, who has just condemned it right and left, has announced his intention to do. I do not propose to support the Bill, because I do not believe that it would accomplish what most of us desire. While I give the Government credit for anticipating a state of things which might arise—not so badly in Australia as perhaps in other countries—I do not think that this Bill would accomplish the purpose for which it has been framed.

Senator FINDLEY.—If the Government would propose legislation dealing with matters here and now, and not for the dim and distant future, we could understand their policy.

Senator MULCAHY.—Do honorable senators really think that this Bill will achieve the results that we desire?

Senator PLAYFORD.—Let us try it.

Senator MULCAHY.—I should be glad to try it if my common-sense did not convince me against it. The question of trying to prevent monopolies is nothing new to me. Although Senator de Largie was disposed to sneer at an interjection that I made, if he looks up the records of Tasmanian politics, he will find that in our small State there has been no stronger enemy of local monopolies than the senator who is now addressing himself to this Bill.

Senator FINDLEY.—Tasmania is the home of monopolies. What about Tattersalls?

Senator MULCAHY.—I never address the Senate and mention Tasmania without Tattersall's being dragged in.

Senator PLAYFORD.—It is a great blot upon the State.

Senator MULCAHY.—If it is a "blot" I have never been ashamed of it. It has always appeared to me that Tasmania has shown her strong common-sense in regulating what we all know it is impossible to prevent.

The PRESIDENT.—I hope that the honorable senator will not be led astray by irrelevant interjections.

Senator MULCAHY.—In addition to being an anti-monopolist, I am also a protectionist. I believe in doing all that we can by legislative means to encourage production and manufacture in this great country. The possession of a country with such an enormous territory, such varieties of climate, and such vast resources, warrants us in doing everything possible to make it self-contained and self-supporting, providing all that we need within our own borders. There are various ways of accomplishing that purpose. The method that I prefer is the honest and straightforward one of imposing Customs duties on goods such as we can manufacture for ourselves.

Senator GRAY.—Does the honorable senator mean prohibition?

Senator MULCAHY.—No, I mean a reasonable Tariff that will give the Australian manufacturers a fair "show" against outside competition. It may be that high duties will be necessary at the start to enable manufacturers to overcome the initial difficulties. But if the goods came in we should derive revenue from them, and they would be imported in decreasing proportions if we had reasonable protection. Although a protectionist, I am not a prohibitionist; I am a believer in protection on common-sense lines. I do not believe in protecting small and insignificant industries. We should deal with the matter in a statesmanlike way, selecting those large industries that will give employment to hundreds and thousands of people, and which are worthy of consideration by Parliament by reason of producing a raw material from the use of which will spring larger manufactures. For that reason I am in favour of protection for the purpose of establishing the iron industry on a firm foundation. I have already said that the Bill is very complex. It is complex because it tries to deal with two things, one of which is really opposed to the other. Strange to say, however, one is very often the result of the other. By means of this Bill we are going to try by the one measure to kill competition and monopoly. Can we do that by one Act of Parliament? I intend to deal with the measure as a business man who knows something about importing, and to point out the difficulties that we have to face. Here I may say that there has been a tendency

in our recent legislation to try to do things that are difficult of accomplishment, and at the same time to hand over too much arbitrary power to the Minister. That practice should be guarded against, and when the Minister is endowed with large powers, as he must be under such a measure as the Customs Act, he should be scrupulous in exercising them with discretion. Under various Acts, we have given enormous powers to make regulations. The worst feature of this procedure is that there seems to be a disposition to abuse those powers, even to the extent of providing by regulation for something that is unconstitutional, or, at any rate, for something that seems to me to come very near to the border line of unconstitutionality. I am not accustomed to make charges against the Labour Party, but in this respect I must say that there is from time to time a tendency manifested on their part to try to exercise powers which the Constitution has not conferred upon us. When I was speaking in favour of Federation before my constituents in Tasmania, I told them that in everything which was not handed over to the Commonwealth the sovereignty of the States would be preserved. When I see this disposition to assume powers not given to us by the Constitution—as, for instance, when it is proposed by the Labour Party to impose a land tax in order to break up large estates—

The PRESIDENT.—Does the honorable senator think that the Labour Party and its proposals have anything to do with this Bill?

Senator MULCAHY.—I am giving an illustration of the straining of our constitutional powers.

The PRESIDENT.—No legislation with regard to land is proposed in this Bill.

Senator MULCAHY.—But there are proposals to do certain things that, in my opinion, are not constitutional.

Senator FINDLEY.—The Constitution does not say that we shall not impose land taxation.

Senator MULCAHY.—The members of the Labour Party should be amongst the strongest upholders of the Constitution because it was adopted by the votes of the people.

Senator O'KEEFE.—When Parliament does anything unconstitutional, the High Court will pull us up.

Senator MULCAHY.—We should do nothing to give the High Court cause to pull us up. There is a proper way to alter the Constitution, if it is desired to assume further power, and we should not endeavour to attain our end in an indirect way. This Bill gives an instance of what I mean. In certain of its provisions we endeavour to deal with hours of labour and conditions of employment.

Senator FINDLEY.—That is one of the best features of the Bill.

Senator MULCAHY.—The Bill has been drafted by a very astute lawyer, and it seems to me, speaking as a layman, that he has tried to get outside the boundaries of the Constitution in an indirect manner. I totally disapprove of, and shall vote against, any such proposal. When we are dealing with Bills of this character, and representations are made to us by bodies such as Chambers of Commerce, or associations or merchants, we are, I am afraid, apt to treat them very lightly.

Senator STEWART.—We do not.

Senator MULCAHY.—There is a tendency to do so, and I do not think that it is justifiable. We should not assume that every man in trade, every importer, every merchant, belongs to a dishonest class, if indeed he is not personally dishonest. We should listen with the greatest respect when men of known integrity, whose characters are above reproach, meet as members of Chambers of Commerce, and make representations to us. I have tried to obtain the opinion of one or two business men regarding this Bill, and wish to read a short extract from a letter from one of the largest warehousemen in this city—a man whose record is absolutely above reproach, a law-abiding, good specimen of the British merchant. He says—

As to monopoly, it is a common thing, in order to avoid undue and unfair competition, for manufacturers to select one or more houses in each State with whom to do business. Although competition with goods of a similar character prevents an inflation of prices, and so prevents detriment to the public, such a method of business would not be allowed under the Bill—

Senator MCGREGOR.—Who says so?

Senator MULCAHY.—The Bill says so.

Senator MCGREGOR.—It says nothing of the kind.

Senator MULCAHY.—The honorable senator might as well listen to the context of the letter—

as the contracting parties would constitute technically a commercial trust. My firm was

approached last week by the representative of a firm of manufacturers giving us the option of being one of four firms who should receive consignments of goods which compete with Australian production, but the condition laid down was that each of the four houses should bind themselves not to sell at less than a given price.

Senator PLAYFORD.—That is restraint of trade.

Senator MULCAHY.—It is done beneficially every day of the week, and honorable senators are aiders and abettors of it. All those who buy Jaeger's underclothing are aiders and abettors of the practice, for that material is the subject of a monopoly, and cannot be sold for less than a certain price. That practice is adopted for the purpose of assuring fair competition and fair profits.

Senator PLAYFORD.—If the practice is to the detriment of the public, it will be affected by this Bill; if not, it will not be affected by it.

Senator MULCAHY.—It is very easy for the Minister to say "if" such and such is the case the Bill will operate, and "if" it is not the case the Bill will not. But what is meant by some of the terms used in this Bill? What, for instance, is meant by "detriment of the public"? Who are the "public" in this regard? The letter from which I quote goes on—

This would manifestly prevent unfair competition with the Australian production; but we are precluded from entering into such an agreement, because we should become a commercial trust by reason of a common agreement.

Senator PLAYFORD.—A commercial trust does not come under the purview of this Bill unless it does something injurious to the public.

Senator Sir JOSIAH SYMON.—The Bill says that a commercial trust shall be *prima facie* evidence of unfair competition.

Senator MULCAHY.—The honorable senator who introduced this Bill does not seem to understand what it means. Senator Pulsford proved quite clearly last week that the very existence of a trust *ipso facto* is to be accepted as *prima facie* evidence of unfair competition under the Bill. Another feature that strikes me is the want of proper definitions. Terms are used, and we are not told what we are to understand by them. The letter from my friend proceeds—

In order to understand the effect of this Bill, two of its terms need to be clearly defined without any vagueness or ambiguity, namely, the words "restraint of trade" and "detriment of

the public." If it is to the detriment of the public to pay a higher price than could otherwise be charged, then this Bill, by destroying competition, compels traders to trade to the detriment of the public. We are on the one hand compelled to have regard to the interests of the buying public, but in doing so, any common agreement between two or more separate traders to sell at such a price as will give reasonable remuneration to all concerned in the production and distribution of the goods, becomes an indictable offence under the Bill.

Every one must recognise that in the Bill the Government is trying to do two things that are entirely opposed. Again, what is meant by "Australian industry"?

Senator PLAYFORD.—I should imagine that the honorable senator would be able to answer that question.

Senator MULCAHY.—But what constitutes an Australian industry under the Bill? Is it an industry employing 10, 100, or 1,000 people?

Senator PLAYFORD.—We have a tribunal to decide those questions.

Senator MULCAHY.—When Senator Playford replies, I should like him to tell us what the draftsman of this Bill considers to be an Australian industry, because the term, if left undefined, will probably lead to different definitions being given in different places, and to an unequal administration of the law.

Senator PLAYFORD.—I think the High Court will manage that all right.

Senator Sir JOSIAH SYMON.—But there is an appeal from the High Court to the Minister.

Senator PLAYFORD.—Surely not.

Senator Sir JOSIAH SYMON.—Yes, in the dumping clauses. The Government would do better to withdraw the Bill, and re-introduce it with alterations. It will be no credit to them.

Senator PLAYFORD.—If we do not have a Bill of this sort, it will be found that the people of this community will go in for nationalizing these monopolies.

Senator FINDLEY.—Now we know.

Senator Sir JOSIAH SYMON.—How do our labour friends like that?

Senator FINDLEY.—Now we can understand what the object is—to "dish" the Labour Party.

Senator PLAYFORD.—Oh, no.

Senator Sir JOSIAH SYMON.—The object is to prevent the policy of the Labour Party being carried out.

Senator MULCAHY.—The climax is gradually arriving. To make the inconsistency more inconsistent, the Labour Party,

one and all, ought to vote against the Bill, bearing in view its real object, which has just been confessed by the Minister.

Senator Sir JOSIAH SYMON. — The Labour Party are going to vote for the Bill, because it is intended to stop nationalization!

Senator MULCAHY.—I do not intend to deal fully just now with many matters which can be more properly discussed in Committee. I should like, however, to say a few words on the question of dumping. First, I desire to know whether it is intended to apply the restrictions laid down in the Bill to all varieties of imports, or whether certain imports are to be selected, and, if so, on what principle the selection will be made? There seems to be some difference of opinion as to what constitutes dumping. According to the Bill, the importation of any goods which have been bought at a price under the cost of manufacture is to constitute dumping. Apparently, it does not matter under what circumstances such materials or goods are bought—if they are bought at a price which is under the cost of manufacture, their importation will constitute dumping. The Bill provides that the competition shall be unfair—

If the imported goods have been purchased abroad by or for the importer, from the manufacturer or some person acting for or in combination with him or accounting to him, at prices greatly below their ordinary cost of production where produced, or market price where purchased:

If that provision is given effect to it will practically stop the importation of a vast quantity of goods which it is very desirable that we should have. I have the strongest objection to Ministers informing us, either in Parliament or by means of some publication, that Bills we pass are not going to be administered in a certain way. Here, for instance, is a statement, published by the authority of the present Minister of Trade and Customs, relating to the Commerce Act—

With reference to paragraph 3 above, and similar paragraphs in other sections, it may be observed that it is always the practice of the Department to take a lenient view of any case, and that the Minister would not sanction any attempt to unduly enforce the law to the disadvantage or loss of innocent importers. The surrounding circumstances will always be taken into consideration, and only such evidence will be required as to want of knowledge or intent as should satisfy any reasonable man. It is hoped that it will seldom be found necessary to enforce forfeiture or to prosecute for fine.

Senator MCGREGOR.—That is very good of the authorities, is it not?

Senator MULCAHY.—It is very good of the Minister of Trade and Customs; but what does the assurance amount to? It means that the Minister of Trade and Customs, after the passing of a Bill, announces that he is not going to do what the Bill says he shall do.

Senator PLAYFORD.—It means that a Bill will not be administered in an arbitrary or harsh manner.

Senator MULCAHY.—Senator Playford and the other members of the Government can only speak for themselves; they cannot hold office for all time.

Senator PLAYFORD.—But we believe in the common sense of any gentlemen likely to hold office.

Senator MULCAHY.—The present Minister of Trade and Customs might be succeeded by a man with very arbitrary ideas.

Senator PLAYFORD.—Then he would not be Minister long.

Senator MULCAHY.—It is quite imaginable that a certain Mr. McKay, who is a maker of harvesters, might become a politician, and hold the office of Minister of Trade and Customs, and he might be found to possess very strong views with regard to the importation of certain goods. We know that in business it is the practice, at the end of the season in the old country, to clear out large stocks of goods at low prices. Our season and that of Europe fit in so nicely one with the other that we here are able to make use of stocks which otherwise might prove of great disadvantage to manufacturers, merchants, and tradesmen at home. This is particularly the case in regard to fashionable goods, prepared, it may be, for a summer which turns out to be of a severe nature, or goods may have been manufactured for a certain fashion which has not "caught on." This presents an opportunity, which is very properly taken advantage of by business men, bearing in view the fact that the fashions in Europe are the basis of our fashions in Australia.

Senator MCGREGOR.—Does the honorable senator think that in this respect Australia will never get ahead of the old country?

Senator MULCAHY. — It will be a long time before Australia gets ahead of Europe in the matter of fashions; as a matter of fact, even the fashions in the United States are entirely based on those of Europe. Such goods as I have

indicated are sometimes bought in very large quantities, and at very low cost, at the end of a season, and one purchaser may be more lucky than another in securing a considerable stock. Under the Bill, however, a lucky buyer of the kind would, on importing the goods to Australia, be liable to have a complaint made against him under the Bill, on the ground that he had purchased the goods at a price greatly below their ordinary cost of production, or below the market price in the country of origin. In some cases, the market price may be 100 per cent., or even 150 per cent., higher than that paid by the representative of the importer; but under the Bill the goods could not be sent to Australia without the risk of punishment at the instance of dissatisfied competitors.

Senator MCGREGOR.—Not unless the competitor were an Australian manufacturer.

Senator MULCAHY.—There must be Australian competitors in such a case.

Senator MCGREGOR.—Then they ought to have consideration.

Senator PLAYFORD.—They ought to be protected against dumping.

Senator MULCAHY.—And so they will be considered. The manufacturers themselves are often importers too, and introduce goods to copy the patterns and fashions, and sometimes, under the circumstances, they find it better to bring them in and sell them. On the question of intent, the lawyers have taken opposite views. To me, there is no doubt that "unfair competition" has, in all cases, reference to an Australian industry, the preservation of which may be deemed to be advantageous to the Commonwealth; and in the clause I have already read, we are told that competition shall be deemed to be unfair if the imported goods have been purchased at a price below the ordinary cost of production, and so forth.

Senator Sir JOSIAH SYMON.—According to the Bill the competition is unfair if the man who makes similar goods here does not get enough profit.

Senator MULCAHY.—If a man has been fortunate enough to buy at a low price a large stock of jackets or mantles in the old country, and he imports them to Australia, will he not be guilty of unfair competition with intent, in the event of his being able to compete successfully against other traders in Australia? Surely, if a

man is proved guilty of unfair competition, it will be assumed that he had the intent to unfairly compete.

Senator Sir JOSIAH SYMON.—There would be the intent, at any rate, to undersell the other man.

Senator PLAYFORD.—There must be the intent to injure or ruin the Australian manufacturer.

Senator MULCAHY.—If to undersell is unfair competition, will the intent not be established by the act itself? I think we should help our producers and manufacturers, but we ought to help them in an honest and straightforward way.

Senator PLAYFORD.—That is what the Bill will do.

Senator MULCAHY.—Our business men would then know where they were, and not be subject to harassing interference at the hands of Customs officers, who must very often find it difficult to do their duty, owing to want of knowledge. This Bill is either going to impose an enormous amount of work on the Customs authorities, or, as I predicted of the Commerce Act, it will be a dead letter.

Senator GRAY.—And a nuisance.

Senator MULCAHY.—The Bill will either be a nuisance and embarrassment to business men, and will be very soon removed from the statute-book, or it will be a dead Act.

Senator Sir JOSIAH SYMON.—But the Minister tells us that the Bill will stop the nationalization of industries.

Senator MULCAHY.—That is a point on which the Minister, I have no doubt, will presently have to render an account. I intend to vote against the Bill, for the reasons I have indicated. We have already placed very heavy obligations on importers, who have to instruct their Home buyers to describe a large amount of the goods sent out. If the buyer at Home desires to know what sort of description he shall send, the importer is not able to tell him; it is an absolute truth that the importer cannot inform his buyer or agent what he is expected to describe, or how he is to describe it.

Senator PLAYFORD.—If the buyer described his goods truthfully there would be no trouble.

Senator MULCAHY.—The latest proposal is that buyers and agents at Home are to ascertain the actual cost of production, and the market price of goods they send out; they are to be forbidden to buy

any article below the market price at Home, if that article happens to be manufactured in Australia. I shall vote against the Bill, because I believe it will prove impracticable and ineffective, and do more mischief than good.

Senator GRAY (New South Wales) [5.25].—I regret that I have not been able to attend and listen to the speakers who have preceded me; but I can say that I have carefully read most of the speeches. I twice read the speech of the Minister of Defence in introducing the Bill, believing that he, at all events, would do his best to place clearly before honorable senators the object of the proposed legislation. I confess, however, that I got no satisfaction from the speech of the honorable gentleman; I got no knowledge from his utterances as to the reason why this Bill has been introduced. I regard this as one of the most important measures ever submitted to the Senate, because it introduces a new principle into Australian business, as that business has been conducted for the last 100 years. I had thought that a measure of such far-reaching consequences, and involving so great a departure from commercial practice, would have had very strong reasons behind it; but I find no reasons beyond the action of some American or Canadian agricultural implement importers. This afternoon we have had an explanation from the Minister, by way of interjection—an explanation which, I am sure, will be read with surprise throughout Australia—to the effect that this Bill has been introduced in the belief that it will prevent future attempts at the nationalization of industries.

Senator PLAYFORD.—Oh, no, no!

Senator Sir JOSIAH SYMON.—That is what the Minister said.

Senator GRAY.—If that be the object of the Government they will receive a kudos not enjoyed by them since they took office.

Senator PLAYFORD. — The honorable senator ought to vote for the Bill! But that is not what I said.

Senator GRAY.—I am now only endeavouring to put the Minister's view before the Senate. We have always understood hitherto that the present Government was kept in power and was dominated by the Labour Party. Some of us really believed that this Bill was introduced because it was thought it would please the Labour

Party. Now, however, we find the Minister frankly stating that one of the objects of the measure is to help to kill the movement for the nationalization of industry.

Senator PLAYFORD. — The honorable senator misunderstands.

Senator GRAY.—There is no misunderstanding; the Minister made a plain statement of fact.

Senator PLAYFORD.—The statement I made was that the chances were, that if we did not pass a Bill to regulate trusts, in course of time trusts would grow, as in America, and then we might have to nationalize industries.

Senator GRAY.—What the Minister said was straightforward and simple, and I am afraid that it will take him a considerable time to "get round the corners of it."

Senator PLAYFORD.—I do not want to "get round the corners."

Senator GRAY.—The real reason for the introduction of the Bill was that the Minister of Trade and Customs had poured into his ear, by a local manufacturer of agricultural implements, a tale of woe. I venture to say that the statements which Mr. McKay made to the Minister of Trade and Customs, and which I believe were the principal cause of the introduction of the Bill, were absolutely untrue, and absolutely deceitful. My leader, in the course of this debate, said that he believed that Mr. McKay only did what other people would have done; but I can scarcely think that is the construction which he would like to have placed upon his words. In my opinion, the manufacturers of Australia are above doing what Mr. McKay did. Whether free-traders or protectionists, they will fight as hard as they can in the interests of their own particular business and of the Commonwealth; but they will not "hit below the belt." When the Minister found out that he had been deceived by Mr. McKay he should have done justice to business men who, far away from Australia, had had their characters impeached. I believe that the Minister of Defence said here that Massey Harris and Company should have every opportunity afforded to them to defend the position which they have taken up.

Senator PLAYFORD.—I have never mentioned Massey-Harris and Company nor the International Harvester Company in connexion with this Bill.

Senator GRAY.—I apologize to the honorable senator, who, I understood, had made that statement. At all events, the Minister of Trade and Customs, who introduced the Bill into the other House, made that statement, but to this day he has not given the company a chance of vindicating its character or justifying its statements. When the company took the matter to a Court, he pleaded a technical point that as Minister of Trade and Customs he could do just as he liked. But I am very glad to say that the point was overruled. If a firm were to do in its business capacity what that Minister has done in connexion with the Massey-Harris Company, I venture to say that Senator Playford would use very strong language indeed, in regard to the firm which had caused all the hubbub, which by its action was seeking to change the conditions of trade and commerce in Australia, and, so far as it could, attempting to stop the importation of other manufactures by getting placed upon the Tariff a duty which would be absolutely prohibitive.

Senator PLAYFORD. — This Bill has nothing to do with the Tariff.

Senator GRAY.—It has everything to do with the Tariff. I am surprised to learn from that interjection that the Minister has not read the Bill or the debate thereon in the other House.

Senator PLAYFORD.—The Tariff is not mentioned in the Bill.

Senator GRAY.—From beginning to end the Bill is really a prohibitive Tariff. Although the Minister of Trade and Customs knew that a report from the Tariff Commission—a body composed of expert, able men, who have done credit to themselves and to the Commonwealth—would be forthcoming in the course of a week or two, still he went behind its back and brought in this Bill. I cannot understand the reason which actuated Ministers in taking that course, unless they wish to use it as a propaganda cry, this being, in my opinion, one of the worst symptoms which have been developed in Australian industrial and commercial life. I allude to the cry of "Australia for the Australians."

Senator PLAYFORD.—Hear, hear. A good cry, too!

Senator GRAY.—"China for the Chinese," "Fiji for the Fijians," "Germany for the Germans." Evidently that is the cue to this Bill. It is one of the most barbarous cries which have been

raised, and one of the most unchristian doctrines which have ever been preached in the Commonwealth.

Senator MCGREGOR.—I thought the honorable senator said just now that the Bill was introduced by the Government in order to please the Labour Party?

Senator GRAY.—I did not say that.

Senator MCGREGOR.—The honorable senator implied it, though.

Senator GRAY.—I said that the Labour Party dominated Ministers, and that the Minister of Trade and Customs brought in the Bill with a full knowledge that it would be favoured by that party.

Senator MCGREGOR.—He did nothing of the kind.

Senator PLAYFORD.—I do not believe that the Labour Party were ever consulted in the matter.

Senator GRAY.—Another reason which has been given for the introduction of the Bill is that in America trusts, monopolies, and combines, which have existed for a number of years, have been directly and indirectly administering their affairs to the detriment of the people of the country. It is urged that what has happened in America may happen here.

Senator PLAYFORD.—They started them.

Senator GRAY.—So far as I know, America has been an exceptional country, at all events, during the last seventy or eighty years, in regard to its administration of affairs. We know that in several cases the Judiciary has been corrupt.

Senator PLAYFORD.—Not the Federal Judiciary. It has never been corrupt.

Senator GRAY.—I am speaking of what has taken place in the States of America. We know that in many cases Judges have been corrupt; that in almost every field of commerce there has been a percentage—not a large one, perhaps—of cases in which business transactions in their widespread ramifications, have not been to the benefit of the people of the country. This maladministration has been going on for years.

Senator KEATING.—It is the big trusts in America which are the foundation of all the corruption.

Senator GRAY.—Speaking of the state of America as it was forty years ago. Charles Dickens said—

Did I recognise in this assembly a body of men who, applying themselves in a new world to correct some of the falsehoods and vices of the old, purified the avenues to Public Life,

paved the dirty ways to Place and Power, debated and made laws for the Common Good, and had no party but their Country?

I saw in them the wheels that move the meanest perversion of virtuous political machinery that the worst tools ever wrought. Despicable trickery at elections; underhand tamperings with public officers; cowardly attacks upon opponents, with scurrilous newspapers for shields, and hired pens for daggers; shameful trucklings to mercenary knaves, whose claim to be considered is that every day and week they sow new crops of ruin with their venal types, which are the dragon's teeth of yore, in everything but sharpness; aidings and abettings of every bad inclination in the popular mind, and artful suppressions of all its good influences; such things as these, and, in a word, Dishonest Faction, in its most depraved and unblushing form, stared out from every corner of the crowded hall.

Did I see among them intelligence and refinement, the true, honest, patriotic heart of America? Here and there were drops of its blood and life, but they scarcely coloured the stream of desperate adventurers which sets that way for profit and for pay.

It is the game of these men, and of their profligate organs, to make the strife of politics so fierce and brutal, and so destructive of all self-respect in worthy men, that sensitive and delicate-minded persons shall be kept aloof, and they, and such as they, be left to battle out their selfish views unchecked. And thus this lowest of all scrambling fights goes on, and they who in other countries would, from their intelligence and station, most aspire to make the laws, do here recoil the farthest from that degradation.

Senator HIGGS.—That is the anti-Socialist party in the United States.

Senator GRAY.—I am only pointing out that forty years ago the condition of America was practically as bad as it is to-day. We all know that the Tammany Ring in New York is the most unblushing and corrupt municipal body on the face of the earth. We know that even in saintly Boston and in San Francisco there has been municipal corruption. We are also aware that in some cases the State Legislature has been anything but what we should expect a State Parliament in Australia to be. The fact that legislation has been enacted in America to meet such cases affords no reason why we should copy the example there set. Are there in Australia any industries which administer their affairs in such a way as is done in America? Can the Minister cite any law which has been enacted in England or any other country because in America maladministration has taken place? We have known justices who have not conducted themselves as they ought to have done, but that does not justify the enactment of a special law. Let us consider what extensive powers

are given to Railway Commissioners by the States. The Commissioners "may" misuse their powers, but the Government and the Parliament trust them. So it is in regard to our Judiciary. There is no sign that we in Australia are influenced by the bad traditions of America. I desire to make a short reference to the results of the Tobacco Monopoly Commission, on which I sat. In the first place, I wish to express my great pleasure at the manner in which its chairman, Senator Pearce, conducted the inquiry. He acted not only with ability, but with an impartiality which I hope will be imitated by the chairman of every other Commission. Now, so far from the Tobacco Monopoly Commission eliciting any evidence of maladministration, I venture to assert that there are few large business undertakings which could have gone so successfully through such an ordeal as the British Australasian Tobacco Company did. The evidence given on its behalf showed the existence of a healthy business spirit. So far as that combine is concerned, there is not an atom of evidence which can be quoted as a reason why this measure should be brought forward. It was the duty of the Minister, if it existed, to submit evidence of maladministration by large business interests in Australia, to justify the necessity for such legislation as is proposed.

Senator DE LARGIE.—What does the honorable senator think of the operations of the shipping ring? Does he agree with them?

Senator GRAY.—I confess that I have not had time to go through the evidence in connexion with the shipping ring. This afternoon the honorable senator has made statements pointing out that there is a combine, and that in certain directions, perhaps, it has acted unfairly. But I, as a business man, have not heard of any large amount of injury which is being done to any of the trading interests in Australia. I have not heard a complaint that the combine has conducted its operations to the injury of the public generally, or to the discomfort of passengers. The absence of a complaint of that kind must, I think, be taken as an indication that it is conducting its business in a legitimate and healthy manner. I admit that, as a matter of fact, it has the power to do a large amount of injury; but that remark might be made in respect of all combines. The

shipping combine is purely a business concern, managed by experienced men, and carried on for a profit; and the managers know perfectly well that if they were to exceed the limit of commercial fair play their action would recoil upon the combine itself. In the same way, the British Australasian Tobacco Combine knew very well that if they were to conduct their business in a manner which would be detrimental to the public, that if they were to use their powers in order to squeeze the consumers, the people, through their representatives, would let the fact become known, and that there would then be just ground for the Parliament taking action with a view to regulate the tobacco industry. I cannot understand the argument of some persons that combines and trusts, because they are such, must be going to do something which is unjust. It has been proved up to the hilt that in America, trusts which have been administered with business knowledge have been merely combinations of firms to buy in the cheapest market with the largest amount of capital, and thus be able to sell goods at less than the ordinary business man can. Those trusts which have been conducted on equitable lines in America have been successful, and very nearly every trust in America which has used its powers for the purpose of squeezing the public has gone to the wall.

Senator PLAYFORD.—No. They are the strongest in America to-day. For instance, there is the Standard Oil Trust.

Senator GRAY.—I wrote a letter to a gentleman who is one of the largest merchants and manufacturers in the United Kingdom, and who has written a pamphlet on that very point. Unfortunately, I have mislaid my copy of the pamphlet, in which he gives details of every trust of any size in America, and shows the absolute truth of my statement. I do not say that there are not trusts now which are using their power to the injury of the public. But I submit that, where there is one trust of that kind which has been successful, there are a dozen trusts of the other kind which have been successful, and that is only in accordance with natural law. In Australia, with its small population, business men in combines or trusts would be absolutely foolish to misuse their powers in regard to the public with a full knowledge of what the effect upon themselves would inevitably be. There is not a scintilla of evidence to show that such a Bill as this is necessary in Australia; not

an instance has been quoted of any trust misusing its powers here.

Senator PLAYFORD.—Then it would do no harm to put it on the statute-book.

Senator GRAY.—My objection to it is that it would revolutionise the commerce of Australia. There has been no demand either from working men or from the commercial classes for such a measure, and there is no reason for making an entirely new departure in regard to our business relations. The Bill cannot in any way promote the development of Australia from a commercial point of view. The cry "Australia for the Australians"—like the cry "China for the Chinese," or "Fiji for the Fijians"—is one that, in my view, absolutely takes us back to the old days of barbarism. Let us notice how our policy is regarded in Japan. A Victorian gentleman who has just returned from the East gives the following testimony:—

Mr. Jeffries believes that Japan is straining the cord of alliance with Great Britain almost to breaking point, but adds that the Japanese assert that there is no menace to Australia, as the alliance has been consummated. Speaking of trade, he says Australian produce is practically unknown in Japan; further, that the feeling is so intense against Australian exports that they are condemned because labelled Australian.

That is one of the results of the cry "Australia for the Australians." Cannot honorable senators realize that Australia, with its enormous possibilities, and its vast area, should aspire to be a great export manufacturing country? How can we achieve that end when we raise barriers to prevent the nations of the earth from importing their goods? Do honorable senators suppose that the Japanese, the Chinese, and other people are fools?

Senator PLAYFORD. — We have barriers raised against us in France, Germany, Austria, Italy, and almost all other countries of the world.

Senator GRAY.—The honorable senator does not know the A, B, C of business if he makes a statement of that kind. Is he not aware that a very large portion of the wool grown in Australia is sold in France and Germany? Does he not know that the price of our wool is largely maintained by French buyers? Does he not know that there are subsidized French steamers that take away our goods, and pay us a good price for them? There is, however, one good feature of this Bill, and that is that if it is passed it will, I believe, lead to

the break up of the caucus. That is my frank opinion. The Bill will chiefly benefit manufacturers in New South Wales and Victoria, because they are the two principal manufacturing States. Speaking as a representative of New South Wales, I say that the vast majority of the people of that State do not want the Bill.

Senator GUTHRIE. — Do they not want something that will benefit them?

Senator GRAY. — They have hitherto conducted their business in accordance with principles which they have inherited from the mother country. They are satisfied with those principles. They believe that freedom of exchange between our commodities and the commodities of other countries is beneficial for the people as a whole. Victoria, however, does want the Bill. But what about the smaller States? What will be the position of Tasmania, Western Australia, Queensland, and South Australia? The Bill, if it does anything, will absolutely encourage trusts and combines, and will increase the price of goods to every man, woman, and child in the Commonwealth. Suppose a manufacturer in England pays his men 30s. a week, whilst a manufacturer in a similar line of business in Victoria pays his men 40s. Under this Bill the English manufacturer will be shut out, because it will be said he interferes with labour in Victoria. But if his goods are excluded the effect will be to black-mail the people of the smaller States. Under present conditions they can buy their goods at certain prices. The Bill says that they shall not buy goods made abroad, because they interfere with Victorian industries. But if those goods are excluded the first effect will be to interfere with the flow of imports and exports. If the effect is to lessen imports it will increase freights to the producers of butter and other commodities, because vessels will not come here empty and take away our goods at the same rates as they now receive. Consequently, the Bill will be most injurious to the producers of the smaller States. Take another point. Is there a man who does not know the pleasure that a woman finds in making a cheap bargain at a shop? There are hundreds of thousands of pounds worth of goods coming into Australia that are simply the surplus stocks of European manufacturers. They are imported for the express purpose of being cheaply sold in Australia. Suppose there is a manufacturer in Melbourne

who employs thirty or forty hands, and pays them 40s. a week; and suppose there is a manufacturer of similar goods in England who pays 30s. a week—though it may be remarked that 30s. a week in England will probably go as far as 40s. here. This Bill would stop the importation of those goods, because the one manufacturer in Victoria might say that his business was injured by them. Is it likely that the importer would take the risk of importing goods under such circumstances?

Senator PLAYFORD.—The honorable senator formerly said that the Bill would have no effect; now he says that it is going to have a disastrous effect.

Senator GRAY.—I never said it would have no effect. The tenor of my speech has been that the effect of the Bill upon trade will be simply revolutionary. That is what I have said from the commencement. The Minister does not realize what this Bill will mean if it is carried in its present form. He does not realize that it must tend to develop and consolidate trusts and combines. There appears to be a general want of knowledge as to the great importance of pools and rings in the industry of any country. There are rings and pools in Australia to-day. There have been for fifty years past, and I hope there will be in the future. They often do harm. They often use the power which they possess to squeeze the public. We had an illustration of that during the drought, when the Sussex-street importers of Sydney imported grain from abroad, and raised the price to the poor squatter 150 per cent.

Senator MILLEN.—By means of the Tariff.

Senator GRAY.—Whatever the cause may have been, in my opinion, the ring did a very cruel and tyrannical thing, as rings often do. But it must not be imagined that production and commerce could be successfully carried on without rings or middlemen. I often hear middlemen introduced, but they have their uses. Business would be reduced to a state of chaos if it were not for them. Take any branch of business honorable senators choose. Four or five middlemen in Sussex-street combine. They have knowledge that there is going to be a scarcity in a certain article in Europe. Say that they buy maize, giving the producer his own price for it. Afterwards perhaps the maize which they have bought for 2s. 6d. runs up to 3s., and the

seller thinks that he has been "had." The fact of the matter is, however, that if the producers were left to themselves, and there were no middlemen, the probability is that their goods would not realize, on the whole, nearly so much as they get for it.

Senator HENDERSON.—My belief is that they would realize more.

Senator GRAY.—I am speaking from knowledge. The agents or middlemen correspond with the producers, who are their customers, telling them that they must not send their goods to market except at a certain time, because if they do the effect will be to produce such a glut in the market that their commodities will be absolutely thrown away. If they are perishable goods they will be destroyed. These middlemen almost every day advise their clients as to whether they should send their goods to market or not. They have a knowledge of the capabilities of the market not only in this country, but in Europe, and they know when they will be able to secure a price that will satisfy the producer. I quite sympathize with Senator Henderson's view, but probably he does not realize the actual state of affairs. If he were a producer—an agriculturist or a dairyman for instance—he would see the full force of sending his goods to an agent who had a full knowledge of market conditions, and who would be able to dispose of his produce to the best advantage.

Senator GUTHRIE.—We could have a Government produce dépôt.

Senator HENDERSON.—Then the middleman would be abolished.

Senator GRAY.—We could do nothing except what is done at the present time unless industries were nationalized. Of course, if we nationalized all industries the Government would have to do exactly what the middleman does now. There would be a central dépôt, which would obtain knowledge as to the conditions of the market, and advise the producers when to send in their goods, so that the Government might sell at the best price. Some time ago there was, I think, a great ring in Western Australia which regulated the price of cattle. In that case I am not sure that the effect was beneficial, because I believe the proceedings were often carried beyond the limits of fair play, and the public sometimes had to pay dearly. I cannot indorse the proposal to confer on a Judge the powers proposed by the Bill.

I recognise the probity of our Judiciary; and I am sure that the Judge appointed would perform the duty of sifting the evidence before him to the best of his ability. In my opinion, however, the questions involved are purely those of business, with which Judges and lawyers generally are not usually very conversant, beyond such knowledge as is picked up by them in the course of their professional work. My suggestion is that before the Bill is passed, or immediately afterwards, the Inter-State Commission should be appointed, and have thrown upon it the responsibility which the Bill seeks to impose on a Judge. This, I believe, would tend to a more equitable administration of the Bill, and avoid placing a Judge in a most unfair position. I cannot approve of a measure of this kind being introduced and passed without having, in a more direct way, been submitted for the approval of the public at large. The questions we are dealing with are essentially of a fiscal nature, and could more properly be discussed when the Tariff was before us. Indeed, I regard the introduction of the Bill as somewhat of an insult to the public. We are now at what is practically the far end of the session, and the public have not been afforded an opportunity to say a single word in regard to it; there is no evidence, as I said before, that the people, as a whole, approve of a measure of the character. I am certain that if a referendum were taken, both protectionists and free-traders would resent this interference with their constitutional rights, and with their natural liberty to purchase goods from other countries, especially England, under perfectly healthy and natural conditions. If Australia ever becomes a manufacturing country, we shall doubtless produce surplus stocks; and I am sure we should regard it as very unjust if the mother country were to pass a similar law with the object of preventing the export of those stocks to her shores. About twelve months ago, in one of the best articles I ever read on this subject, it was shown that dumping, instead of being an injury, is absolutely an immense benefit to the manufacturers of England, because these goods are purchased at a low figure, and re-exported to the country of origin at a large profit. Dumping under normal conditions is essential to trade, though I grant there might be exceptional conditions under which it would not be desirable. I can-

not, for one moment, imagine any manufacturer, on personal grounds, setting to work to ruin an Australian industry; but the Bill seems to contemplate such a state of affairs. Under any circumstances, I cannot believe that any manufacturer in England would seek to ruin a manufacturer in this country. Senator Millen was perfectly right when, in the course of his able speech, he showed the utter hypocrisy of the whole measure as exemplified in clauses 4 and 5. That honorable senator made it clear that the ulterior object of the Bill is prohibition, in order that certain industries in Australia may reap the advantage. I believe that the people of Australia would not indorse the Bill if it were placed before them; and we have no right to pass a measure of the kind at this period of the session. I hope that the Minister will either withdraw it, or permit amendments to be made so that it may prove of some good, while not unduly interfering with the trade and commerce of the Commonwealth.

Senator GUTHRIE (South Australia) [6.20].—It is my intention to deal with several matters when we reach the Committee stage, and at present I shall confine myself to only one or two aspects of the Bill. It has been argued that this is a Bill to prevent unfair competition; and in this connexion I may quote a circular which came into my possession yesterday. It is from an Adelaide firm representing the Colonial Oil Company, and is as follows:—

We beg to advise you that the Colonial Oil Company have decided to continue the rebate to retailers, and rebate will be paid accordingly on your purchases of American "White Rose" kerosene during the six months ending 31st December, 1906, and following six-monthly periods until further notice, provided you sign a declaration form stating that you have neither bought nor sold any other than American "White Rose" kerosene during each six-monthly period. As it is just possible you may have purchased kerosene other than "White Rose" since 30th June last, we beg to say that this will not disqualify you from claiming rebate on your purchases during the present six-monthly period, provided you do not continue to purchase any other kerosene after receiving this notification that the rebate to retailers is to be continued.

When this Bill was introduced the Colonial Oil Company apparently imagined that they would be brought under its provisions, and thereupon notice was given to customers that the rebates would be discontinued. During the discussion of the measure, however, the Colonial Oil Company appear to

have altered their opinion, and, coming to the conclusion that the Bill will not affect them, they have boldly issued the circular which I have read.

Senator MILLEN.—Is not that just the class of case the Bill was supposed to touch?

Senator GUTHRIE.—I think so; but we have seen legal senators taking opposite views on that question.

Senator Sir JOSIAH SYMON.—The case of the Colonial Oil Company has not been mentioned before.

Senator GUTHRIE.—That is so; but the whole question of rebates and monopoly of custom has been before us. There is no doubt that this is a conditional rebate. The circular continues—

It is claimed that the discontinuance of the rebate to retailers does away with the retailers' profit on "White Rose" kerosene, and for this reason the Colonial Oil Company have decided to continue the rebate to retailers. The purchase of "Royal Daylight" kerosene, or any other oils of which the Colonial Oil Company are the sole importers, does not invalidate your claim for rebate on American "White Rose" kerosene.

Senator MCGREGOR.—Who constitute the Colonial Oil Company?

Senator GUTHRIE.—The company is represented in Adelaide by Messrs. Wilkinson and Company.

Senator MCGREGOR.—Has the Colonial Oil Company anything to do with the Standard Oil Company?

Senator GUTHRIE.—The Colonial Oil Company is virtually the Standard Oil Company.

Senator HIGGS.—Then "Colonial Oil Company" is a false description?

Senator Sir JOSIAH SYMON.—What do the rival oil people say?

Senator GUTHRIE.—The British Imperial Oil Company says that this practice of the Colonial Oil Company amounts to undue competition.

Senator Sir JOSIAH SYMON.—Why does the British Imperial Oil Company not also give discounts?

Senator GUTHRIE.—Because I understand it cannot afford to do so.

Senator Sir JOSIAH SYMON.—Does the British Imperial Oil Company want a higher price?

Senator GUTHRIE.—The British-Imperial Oil Company sells at the same price, and all it asks is that conditional bargains of the kind shall be made illegal.

Senator Sir JOSIAH SYMON.—Who gets the benefit? I should think the consumer.

Senator GUTHRIE.—The British-Imperial Oil Company has issued the following circular:—

For some time past there has been considerable competition in Australia between the respective trading companies in kerosene, with the result that one company has adopted the principle of granting a conditional special rebate per gallon to customers who deal exclusively in their brands of kerosene. We would respectfully ask your support in suppressing the rebate system by introducing into the present Anti-Trust Bill a clause to prevent any company attempting to monopolize the trade by the granting of conditional rebates. We feel sure that practically every dealer in kerosene would prefer to have an open market, and would welcome an Act to suppress the granting of conditional rebates, which are detrimental to both retailers and consumers. We take this opportunity of enclosing a copy of the circular issued, and which we think speaks for itself.

Senator DRAKE.—The honorable senator ought to move an amendment which would have the effect desired.

Senator GUTHRIE.—I am not prepared to do that. The only position I take up is that in the oil trade there are these special rebates; and the same practice is carried on in the other large manufacturing industries throughout Australia. The Colonial Sugar Refining Company, I believe, adopt exactly the same principle, with the result—I do not grumble at it—that it has virtually shut Mauritius sugar out of the Australian market.

Senator Sir JOSIAH SYMON.—That is all in the interest of local industry.

Senator GUTHRIE.—In the case of sugar, the practice is in the interest of local industry. I desire now to deal with the matter referred to by Senator de Largie, who condemns the shipping companies for doing exactly what the Colonial Sugar Refining Company does, and what the oil manufacturers propose to do.

Senator DE LARGIE.—That does not make the practice right.

Senator Sir JOSIAH SYMON.—Does Senator Guthrie think that the shipping combine is injurious?

Senator GUTHRIE.—I shall deal with that point presently. What I desire to show now is the exact position in regard to freights on the Australian coast. I have gone to some trouble to obtain figures, which were received in answer to advertisements inserted in the English newspapers, calling for tenders to carry the principal products of Australia along the British coasts. Although in Australia double or treble the rates of wages have

to be paid, and the cost of all necessities is relatively higher, the shipping combination in Australia is charging less freight, mile for mile, than is charged on the British coasts. I do not think that any honorable senator would attempt to compare ocean carriage with coastal carriage. In the case of the Colonial Sugar Refining Company there is protection against the outside world, and yet rebates are given. But in the case of the shipping industry, in which a large amount of capital is invested, and which is most important to Australia, affording, as it does, employment, directly and indirectly, to a large number of men, there is absolutely no protection—no subsidies, no bounties, or assistance in any way from any State.

Senator Sir JOSIAH SYMON.—Why should the industry have assistance?

Senator GUTHRIE.—I am not saying that the industry should have assistance, but merely pointing out that it has had to rely on itself.

Senator DE LARGIE.—And it is very able and fit to do so.

Senator GUTHRIE.—It has been said that outside the combination there is no competition; but I can prove the contrary. In Western Australia the other day tenders were called for the carriage of mails along the southern coast, and that contract was obtained by the owner of the steamer *Maitland*, in competition with the combination.

Senator DE LARGIE.—Who is the owner of the *Maitland*?

Senator GUTHRIE.—A private owner in Sydney. Then, from Fremantle, along the whole length of the north-west coast, there runs a line of steamers registered in Singapore.

Senator DE LARGIE.—That line is in the ring just as is the Adelaide company.

Senator GUTHRIE.—The line of steamers of which I speak has nothing to do with the Shipping Federation.

Senator DE LARGIE.—It works hand in hand with the Shipping Federation.

Senator GUTHRIE.—It has nothing to do with the Shipping Federation, which has taken the precaution to register under the Conciliation and Arbitration Act. I do not say that the Shipping Federation has been compelled by law to take this step, but, if it did not, the Governor-General would have power to compel it to

register. At any rate, the federation has become an association for the purpose of fighting labour.

Sitting suspended from 6.30 to 7.45 p.m.

Senator GUTHRIE.—There is a question which I should like to put to the Minister, and which he can answer when he makes his reply, because it may help some of us considerably in coming to a decision.

Senator PLAYFORD.—I do not propose to reply. I think we have had quite enough discussion on this measure.

Senator GUTHRIE.—I desire to get from the Minister some information in order to decide how I shall vote.

Senator PLAYFORD.—What is the point?

Senator GUTHRIE.—When a question is put, the Minister in charge of the Bill ought to be prepared to give a reply, especially when it comes from a supporter. The Oil Company is a corporation which has its head-quarters outside the Commonwealth, and with which, therefore, we cannot deal. It ships its oil to an agent in each State, who transacts all the business with the retailer, and the whole transaction takes place within the boundaries of that State. Can the provisions of the Bill reach the people within a State who are not transacting business outside its limits? Or will it be an infringement upon State rights?

Senator PLAYFORD.—If the people are a corporation, we believe that we can deal with them in the State, but if they are individuals, we cannot deal with them.

Senator GUTHRIE.—Suppose, for instance, that Burns, Philp, and Company, in Sydney, were agents for the British Imperial Oil Company, and the distributors of its oil throughout New South Wales, would the provisions of the Bill reach the firm as agents for the company?

Senator PLAYFORD.—That is a legal question which I should not be expected to answer right off.

Senator GUTHRIE.—It is a point of some importance, I think, because, otherwise, every provision of the Bill could be evaded by a corporation through merely appointing an agent in each State to transact its business therein.

Senator PLAYFORD.—The chances are that the agent would come under the first part of sub-clause 1 of clause 4—

Any person who either as principal or as agent enters into any contract.

Senator DRAKE.—That relates to trade amongst the States, but Senator Guthrie is talking about trade within a State.

Senator PLAYFORD.—That is a legal question which I cannot be expected to answer now. I can get an answer from the Attorney-General, though.

Senator GUTHRIE.—Before we are asked to give a vote, we should understand clearly how far-reaching the Bill may be. We ought to know whether the Bill would meet such a case as I have put, or whether it could be evaded by the agent. Reverting to the question of rebates, so far as my knowledge goes, the ship-owners have a loose federation.

Senator DE LARGIE.—What does the honorable senator call a close one?

Senator GUTHRIE.—Each company in the federation has, I believe, a distinct and separate existence, with its own offices, officers, and capital. That is why I used the term "loose federation." There can be no doubt that it is a combine. I have had some connexion with the combine in relation to wages and working conditions. Prior to its formation each one of the six companies forming the combination was enjoying free competition, and trying to steal all the trade it possibly could from the others. Literally they were cutting one another's throats by competing against each other. Two or three boats would be leaving a port on the same day, and each would take about a third of a cargo, and at a rate of freight which did not pay the owners for the cost of handling it. If the boat of another company came into port three or four days later, when no boats were leaving, up would go the rate of freight to considerably higher than it is to-day. Unnecessary tonnage was run; ships made trips with nothing like a fair loading; and wages fell by one stroke 30 per cent.

Senator DE LARGIE.—Wages were higher before the companies federated than they have been since.

Senator GUTHRIE.—I admit that some time prior to the formation of the federation the wages were higher, but at its inception they were 20 per cent. lower than they are to-day.

Senator HENDERSON.—How many years ago?

Senator GUTHRIE.—In 1891, 1892, and 1893.

Senator CROFT. — The federation has only been in existence a few years.

Senator GUTHRIE.—It has been in existence since 1894.

Senator Sir JOSIAH SYMON.—I suppose that freights were lower.

Senator GUTHRIE.—On some days freights were lower, and on other days they were higher.

Senator HENDERSON.—The honorable senator is taking the most depressed years in Australia.

Senator GUTHRIE.—At any rate, wages came down, and not one of the six companies paid a penny in the way of dividends to its shareholders. I feel sure that, so far as the steamers were concerned, the shareholders did not benefit one penny from low freights on certain days and higher freights on other days. When he was before the Navigation Commission, Mr. Glassford, who is one of the leading produce merchants in Melbourne, and who spoke not only for himself, but for a majority of the produce shippers in Victoria, said that they hailed with satisfaction the formation of the combine, because they knew exactly now when boats would sail, what the freights would be, and that every one would be on a level footing in that respect.

Senator DE LARGIE.—Probably he was afraid to say anything else, for fear of the manipulations of the ring.

Senator GUTHRIE.—I would not say that. I believe that Mr. Glassford is just as independent as any man I know in Victoria to-day, and I do not doubt for a moment the evidence which he gave before the Royal Commission.

Senator DE LARGIE.—What did the merchants in Brisbane say?

Senator GUTHRIE.—I am going to show what ground there was for the merchants in Brisbane making the complaints they did. In that city we had evidence given on each side. We had evidence similar to that given here by Mr. Glassford, as well as evidence to the effect that the shippers were being "bled" by this huge monopoly.

Senator DE LARGIE.—By a witness who was a member of the shipping ring.

Senator GUTHRIE.—That evidence was given by a witness who, I believe, was manager for a company which was agent, not only for ships in the combine, but for outside ships. What was the extent of the "bleeding" that took place? I have already stated that the figures I possess can be taken as authentic. The

English figures were got by calling for tenders, and the Australian rates are rates which are not charged to one firm, but which are charged to every shipper. For the first time to-day, I have heard that there are secret commissions. I am not aware that there are secret commissions in the Inter-State trade. There was no such evidence given before the Navigation Commission. I heard it stated that there were rebates.

Senator DE LARGIE.—And secret commissions.

Senator GUTHRIE.—No; I heard that the same rebates were given to every firm which shipped all its goods by the company.

Senator DE LARGIE.—Mr. McPherson was the witness who said that secret commissions were given.

Senator GUTHRIE.—No.

Senator DE LARGIE.—He read a letter from the secretary of the Chamber of Commerce, who made that charge.

Senator GUTHRIE.—He said that rebates, not secret commissions, were given to those who shipped all their goods by one company.

Senator Sir JOSIAH SYMON.—Is not that like the case of the Oil Company?

Senator GUTHRIE.—Exactly.

Senator Sir JOSIAH SYMON.—The honorable senator is defending one and condemning the other.

Senator GUTHRIE.—I have neither condemned one nor commended the other. What I have said so far has been that to the workers the combine has not been an evil. I have tried to prove that when there was free competition the steamers reaped no benefit. I have instanced the case of Western Australia.

Senator DE LARGIE.—What trade is there outside the shipping ring?

Senator GUTHRIE.—Only a few months ago a combination of Broken Hill companies called for tenders for the carriage of coke to Port Pirie, and of ore and bullion to Sydney. The combine, which has a monopoly of the coastal trade, did not get the contract, which was for the carriage of 1,000,000 tons of ore per year. It was obtained by Scott, Fell and Company, of Sydney.

Senator CROFT.—There was a number of vessels running back empty from Port Pirie.

Senator GUTHRIE.—Exactly. Again, between Melbourne and Launceston, the

Union Steam-ship Company is faced with opposition from outside the ring. Between Tasmania and Adelaide, there is also opposition from outside the ring.

Senator DE LARGIE.—What sort of opposition?

Senator GUTHRIE.—There are steamers running from Tasmania to Adelaide.

Senator DE LARGIE.—What is the tonnage?

Senator GUTHRIE.—I cannot tell the honorable senator exactly now.

Senator DE LARGIE.—According to the figures given to the Navigation Commission, the tonnage was less than 10,000 tons, and that out of nearly 200,000 tons.

Senator O'KEEFE.—And by steamers which did not carry passengers.

Senator Sir JOSIAH SYMON.—What Senator Guthrie says is that it is a very large but only a partial monopoly.

Senator GUTHRIE.—The coasting trade is open to any one who may choose to come in and compete for it. Again, for years the firm of J. and A. Brown have been running steamers independent of the monopoly, and, I believe, are doing a very good business, too. Let me now compare the freights from London to Aberdeen, a distance of 430 miles, with the freights between Sydney and Melbourne, a distance of 576 miles. Flour is carried from London to Aberdeen in small lots at 12s. 6d. per ton, and from Sydney to Melbourne at 7s. 6d. a ton, with 20 per cent rebate.

Senator Sir JOSIAH SYMON.—What does the honorable senator mean by a small lot?

Senator GUTHRIE.—Perhaps 5 or 10 tons. On the Australian coast, the combine carries any quantity—from 1 ton to 10,000 tons—at 7s. 6d. per ton, with 20 per cent rebate.

Senator Sir JOSIAH SYMON.—What is the freight from Adelaide to Melbourne?

Senator GUTHRIE.—Flour is carried from Adelaide to Melbourne, a distance of 504 miles, at 7s. 6d. per ton, with 20 per cent. rebate, while from London to Cork, a distance of 536 miles, it is carried at 8s. 6d. per ton.

Senator Sir JOSIAH SYMON.—I cannot understand the very much higher freight between London and Aberdeen.

Senator GUTHRIE.—The difference is exactly the same as exists between Adelaide and Fremantle.

Senator PLAYFORD.—Why is the freight to Cork so low in comparison with that to Aberdeen?

Senator GUTHRIE.—Because there is not the back loading which is obtained from Aberdeen. From Fremantle to Adelaide, there is virtually no back loading.

Senator Sir JOSIAH SYMON.—They have a great passenger traffic, though.

Senator GUTHRIE.—Yes.

Senator Sir JOSIAH SYMON.—But they have not much passenger traffic from Aberdeen to London.

Senator GUTHRIE.—Have they not?

Senator Sir JOSIAH SYMON.—Not with steamers.

Senator GUTHRIE.—They carry a great many passengers and mostly on deck like cattle. On jute sacking and yarn, the freight from London to Aberdeen is 14s. 6d. per ton, and from Sydney to Melbourne, 10s. a ton. On drapery goods and woollen goods in bulk, the freight from London to Aberdeen is 27s. 6d. per ton.

Senator Sir JOSIAH SYMON.—What is the use of the honorable senator quoting those figures, if he does not give the rates of freight for the back loading, and what there is to be carried?

Senator GUTHRIE.—I am giving the particulars from one port to another. Drapery and woollen goods in bales are carried from London to Aberdeen at 27s. 6d. per ton. They are carried from Sydney to Melbourne for 10s. per ton, or 17s. 6d. a ton less for a distance of 130 miles more. Wines and spirits in bulk are carried from London to Aberdeen for 20s.; from Sydney to Melbourne for 12s. 6d. Wines and spirits, in case, are carried from London to Aberdeen for 27s. 6d.; from Melbourne to Sydney for 12s. 6d. Next, take freights from London to Leith, a distance of 404 miles, as compared with the voyage from Sydney to Brisbane, 510 miles, or 106 miles more. Flour is carried from London to Leith in 20-ton lots and upwards at 10s. 6d. per ton; from Sydney to Brisbane for 7s. 6d. per ton, less 20 per cent. rebate.

Senator O'KEEFE.—Where does the rebate come in?

Senator GUTHRIE.—The companies pay a rebate, provided the exporter gives a monopoly of his carrying trade. Jute goods are carried from London to Leith for 12s. 6d. per ton; from Sydney to Brisbane for 10s. Woollen goods are carried from London to Leith for 30s.; from Sydney to Brisbane for 10s., or £1 per ton less, although the distance is 106 miles greater.

Senator Sir JOSIAH SYMON.—There is something wrong with those figures.

Senator GUTHRIE.—I challenge any one to find inaccuracies in them.

Senator Sir JOSIAH SYMON.—Where do they come from?

Senator GUTHRIE.—I have compiled them myself from data that cannot be contradicted. Next, take the voyage from London to Cork, a distance of 536 miles. Flour is carried from London to Cork for 8s. 6d. per ton. It is carried from Adelaide to Melbourne, a distance of 504 miles—32 miles less—for 7s. 6d., less 20 per cent. Wheat is carried from London to Cork for 15s. 6d. a ton; it is carried from Adelaide to Melbourne for 8s. a ton, less 20 per cent. Oilmen's stores are carried from London to Cork for 32s. 6d.; from Adelaide to Melbourne for 10s. per ton, or 22s. 6d. per ton less. Horses are carried from London to Cork for 62s. 6d. each; from Adelaide to Melbourne, 35s. each.

Senator Sir JOSIAH SYMON.— These figures only show that we do not need an Anti-Trust Bill.

Senator GUTHRIE.—They show that the accusations that have been made about cruel freights have no ground whatever.

Senator DE LARGIE.—Why did the honorable senator sit and listen while witnesses made those charges before the Navigation Commission?

Senator GUTHRIE.—I had not this information in my possession at that time.

Senator O'KEEFE.—It shows that the shipping combine is not injurious.

Senator GUTHRIE.—Exactly. It is difficult to get on the English coast line such distances as we have in Australia. I have therefore been obliged to stretch out a little, and take Norway and Sweden into the calculation in order to secure a comparison. From London to Christiana the distance is 656 miles. I compare that voyage with the distance from Adelaide to Melbourne, 504 miles—or 152 miles less. From London to Christiana flour in large parcels is carried at 7s. 6d. a ton; flour, irrespective of quantity, is carried from Melbourne to Adelaide at 7s. 6d. per ton, less 20 per cent.

Senator PLAYFORD.—The honorable senator is giving us freights from England to Christiana. Let him tell us the freight on butter and other commodities to London.

Senator GUTHRIE.—I cannot.

Senator Sir JOSIAH SYMON.—What is the use of the figures, then?

Senator GUTHRIE.—Horses are carried from London to Christiana for 63s. each; they are carried from Adelaide to Melbourne for 35s. Fodder goes from London to Christiana for 10s. a ton; it is carried from Adelaide to Melbourne for 10s. a ton. That is the only instance where freights are equal in this comparison. Drapery, cotton and woollen goods are carried from London to Christiana for 13s. 4d. per ton, plus 15 per cent.; they are carried from Adelaide to Melbourne for 10s. a ton. There is no rebate in that case. Next, I wish to get a distance to compare with that between Adelaide and Fremantle. The distance from London to Belfast is 712 miles; from Adelaide to Fremantle it is 1,380 miles—nearly double the distance. It must be remembered at the same time that there is back loading from Belfast to London, whereas there is comparatively little from Fremantle to Adelaide. Drapery is carried from London to Belfast for 41s. 10d. per ton; from Adelaide to Fremantle for 20s. per ton, or nearly 22s. per ton less for double the distance.

Senator PEARCE.—I had some goods taken to Western Australia, and paid more than that.

Senator GUTHRIE.—The honorable senator sent them through a middleman. Wines and spirits are carried from London to Belfast at 34s. 4d. per ton; from Adelaide to Fremantle at 22s. 6d.

Senator CROFT.—Those stores are rarely carried from Adelaide to Fremantle; they come to Western Australia direct.

Senator GUTHRIE.—Any quantity of goods are taken from Melbourne and Adelaide to Western Australia. Oilmen's stores are taken from London to Stockholm, 1,127 miles, for 20s. a ton; they are carried from Adelaide to Fremantle, 1,380 miles, for 20s. a ton, less 10 per cent. rebate. Fodder is carried from London to Stockholm for 29s. a ton; from Adelaide to Fremantle for 10s. a ton, less 10 per cent. rebate. Unfortunately, I have left in my bag some figures which I intended to quote in regard to passenger fares on the English coast, and on the Australian coast. I shall quote them in Committee. I may, however, say this—that a better class of boats than are employed on the Australian coast is not to be found in any part of the world. In respect of accommodation, attendance, and catering the vessels on our coast are equal to any that I

know of in any coasting trade in any part of the world, and the fares will compare favorably with those charged elsewhere. I had prepared these figures for another purpose, but I thought it just as well to give the Senate the benefit of them now. With regard to the Bill itself, I say frankly that I do not like it. But it has been stated that under our Constitution we have no power to nationalize monopolies. The very fact that an honorable senator has introduced a Bill for the purpose of enabling a referendum to be taken on that subject affords proof that in the opinion of others, as well as myself, we have not that constitutional power at present. My opinion is, therefore, that it would be as well to adopt this as a tentative measure. I think there are brains enough in Australia, without going to America, to devise means to cope with our own situation. However, in my opinion, the true remedy for any monopoly that may spring up is nationalization. I wish to refer to one other matter before concluding. During the debate, a considerable amount of discussion has taken place regarding the boot industry. A desire has been expressed that a document quoted by Senator McGregor should be laid upon the table of the Senate. Inquiries have been made as to how that desire could be met, and I hope, Mr. President, that you will excuse me for re-reading the declaration quoted by Senator McGregor in order that any honorable senator who chooses may afterwards move that it be printed. It will then be in the possession of the Senate. I also intend to read some other declarations bearing upon the same question, and which also can be laid upon the table. The declaration quoted by Senator McGregor was as follows:—

I, William Marshall, of 30 Russell-street, Melbourne, formerly of Nott-street, Port Melbourne, shoe manufacturer, do hereby make oath and say that—

In the year nineteen hundred and one (1901) I entered into a contract with the United Shoe Machinery Company of America for the leasing of a consolidated hand method lasting machine. One of the conditions of the lease was that I had to pay them about seventy pounds (£70) cash when the machine was installed, and thereafter a royalty of fifty-two pounds (£52) per annum (this is as far as my memory serves me).

The United Shoe Machinery Company further protected themselves by insuring the machine for the sum of three hundred or three hundred and fifty pounds, for which I was conditioned under the lease to pay the insurance premiums.

On 17th September, 1901, my factory was totally destroyed by fire, and in the general destruction the lasting machine was ruined.

The United Machinery Company not only collected the insurance on the machine, but, acting under another condition of their "lease," demanded and took possession of the "remains" of the machine, and would not make any refund of the original payment (seventy pounds), nor would they rebate anything out of the insurance money, which they collected, and the premium for which I had paid.

As far as I remember, the machine was installed only about two months prior to the happening of the fire. It had therefore hardly been used.

WM. MARSHALL.

Declared before me this 19th day of July, in the year 1906.

C. J. HAM, J.P.

Senator MILLEN.—If the machines belonged to the company, why should they be expected to pay a portion of the insurance money to any one else?

Senator GUTHRIE.—That is not the question.

Senator MILLEN.—It is one of the complaints.

Senator GUTHRIE.—No; the complaint is that a royalty had been paid in advance, and that no allowance was made for that.

Senator DOBSON.—What was the value of the machine?

Senator GUTHRIE.—It was insured for £300 or £350.

Senator DOBSON.—The value might have been more than that.

Senator GUTHRIE.—It is not likely that, when the lessees had to pay the insurance premiums, the company would insure the machines for less than their value.

Senator MILLEN.—Insurance companies would hardly allow insurance up to 100 per cent.

Senator GUTHRIE.—Most of them do, and are glad to get business. Senator Pulsford said regarding the matter—

I am in a position to say that it was absolutely unjustifiable, and is not borne out by the facts.

Senator MILLEN.—What is the honorable senator reading?

Senator GUTHRIE.—From a statement regarding Senator Pulsford's remarks.

Senator MILLEN.—A statement of Senator Guthrie's own?

Senator GUTHRIE.—Yes.

Senator Sir JOSIAH SYMON.—Prepared by himself?

Senator GUTHRIE.—Not quite; on information received.

Senator Sir JOSIAH SYMON.—From Marshall?

Senator GUTHRIE.—From Marshall and others.

Senator Sir JOSIAH SYMON.—These affairs happened five years ago.

Senator GUTHRIE.—Mr. Marshall is still living.

Senator Sir JOSIAH SYMON.—He has forgotten all about it.

Senator GUTHRIE.—No, he has not. He has made a declaration, dated 19th July. I am making this statement from information which I have received, very much as the honorable senator himself sometimes makes statements.

Senator MILLEN.—I wanted to know the authority.

Senator GUTHRIE.—It is a statement of facts.

Senator Sir JOSIAH SYMON.—They are not facts within the honorable senator's own knowledge.

Senator GUTHRIE.—Exactly; but I am giving them as true statements to the best of my belief. Senator Pulsford, in the course of his remarks, produced documents which were not true within his own knowledge, but which had been handed to him for the purposes of this debate. Amongst the documents was a receipt for £80. Senator Pulsford, however, knew no more whether that £80 was paid by Marshall than I know. I wish to point out that at the time Marshall's place was burnt there were in the factory, belonging to the United Shoe Machinery Company, two Goodyear welting machines, two stitching machines, two Ideal lasting machines, and one Copeland lasting machine; and for the installation of each of those machines in his factory Mr. Marshall had to pay at least £50. These machines after the fire were in fairly good order. They could have been repaired cheaply and sold for a considerable amount of money; but the company absolutely refused to allow Mr. Marshall to deal with them. The company took possession; and the £80 received was in respect of other machinery, and not in respect of the machinery in dispute.

Senator MILLEN.—Does the honorable senator say that not a penny of the £80 was paid in respect of the special machine in dispute?

Senator GUTHRIE.—I shall tell the honorable senator the exact circumstances directly.

Senator Sir JOSIAH SYMON.—Why should we investigate all these details?

Senator GUTHRIE.—Senator McGregor has been absolutely challenged to lay this document on the table; and it is as well that Mr. Marshall's position should be made clear.

Senator Sir JOSIAH SYMON.—What I thought was to be laid on the table was the first declaration made by Mr. Marshall, and then the declaration in reply.

Senator GUTHRIE.—The £80 cheque was actually a refund of a totally different character from that which has been represented, and not a penny of it was in respect of the lasting machine. Senator Pulsford also read a declaration from Mr. Henry Best, taken before Mr. George Walker, J.P.

Senator MILLEN.—Is the honorable senator leaving Mr. Marshall's matter?

Senator GUTHRIE.—No. This declaration was read by Senator Pulsford in reply to the declaration read by Senator McGregor, and is as follows:—

August 14, 1906.

Having seen in *Herald* of 10th inst. a statement purporting to have been made by Mr. McGregor in the Australian Senate, speaking on the Anti-Trust Bill, that Henry Best, a boot manufacturer, had been deprived of machinery held by him under lease to the U.S.M. Coy. for the reason that he had working beside them a non-royalty machine, I, Henry Best, of my own free will and accord, voluntarily make this statement, under oath, that the statement as reported is not according to fact. The U.S.M. Coy. have never taken any machine from me, neither have they threatened to take machines because of my using non-royalty machines in my factory.

(Signed) HENRY BEST.

Before me, William Geo. Walker, J.P.—14th August, 1906.

Mr. Best, at the time of making the declaration, was lying in the Melbourne Hospital undergoing an operation; and the local manager for the United Shoe Machinery Company drove to the hospital and obtained his signature.

Senator MILLEN.—Does the honorable senator say that the signature was obtained unfairly, or by undue influence?

Senator GUTHRIE.—The signature was obtained at a time when Mr. Best was not absolutely in possession of his whole mental faculties.

Senator Sir JOSIAH SYMON.—Why does the honorable senator make a charge like this, when he personally does not know anything about the circumstance?

Senator GUTHRIE.—I am simply stating the fact that Mr. Best was undergoing an operation, and that the manager of the United Shoe Machinery Company was the man who obtained the signature.

Senator PLAYFORD.—Was the declaration true? That is the question.

Senator Sir JOSIAH SYMON.—The fact that Mr. Best was in bed does not show that he was a lunatic, or not in possession of his senses.

Senator O'KEEFE.—What does Mr. Best say about the matter now?

Senator GUTHRIE.—I have not seen Mr. Best.

Senator MULCAHY.—Does the honorable senator not think he ought to have seen Mr. Best before throwing doubt on the statement?

Senator GUTHRIE.—I am stating the conditions under which the signature was obtained.

Senator MILLEN.—But the honorable senator has said that he does not think Mr. Best was in possession of his whole mental faculties at the time.

Senator GUTHRIE.—I said that probably Mr. Best was not in possession of his whole mental faculties.

Senator Sir JOSIAH SYMON.—Why say that?

Senator GUTHRIE.—If the honorable senator were undergoing an operation in a hospital he probably would not be in possession of his whole mental faculties.

Senator PLAYFORD.—Senator Guthrie ought not to have brought this matter before us unless he could prove that Mr. Best now denies the statement he previously made.

Senator GUTHRIE.—This declaration has been made use of in the course of the debate, and I think I am justified in explaining how the signature was obtained.

Senator PLAYFORD.—Not unless the honorable senator has reason to believe that the signature was got unfairly.

Senator GUTHRIE.—Honorable senators have had sent to them a circular signed by a number of boot manufacturers in New South Wales, Victoria, and South Australia, but we see that the number of signatories is not anything like representative of the whole of the boot manufacturers in Australia. There are 140 boot and shoe manufacturers in Victoria, and out of that number only twenty signed the circular.

Senator PLAYFORD.—Do not those signatories represent big houses?

Senator GUTHRIE.—There are some representatives of big houses who have not signed the circular. There are 111 boot and shoe manufacturers in New South Wales, 105 in South Australia, six in Queensland, six in Tasmania, and six in Western Australia.

Senator MULCAHY.—Are there in South Australia 105 establishments that can really be called boot manufactories?

Senator GUTHRIE.—Yes, every one of them. I have here a declaration by one of the gentlemen who signed the circular, showing that he did not understand clearly what he was signing at the time.

The PRESIDENT.—Does the honorable senator really think that what he is stating is a reason for agreeing or objecting to the Bill, namely, that one of the signatories of the circular did not know what he was signing?

Senator GUTHRIE.—I have already pointed out that the signatures on this circular do not represent anything like the number of people in the boot and shoe business. This circular was addressed to every member of the Senate, and has been used as an argument for the rejection of the Bill; and I have here a sworn declaration by the representative of the firm of J. Hunter and Sons, of Queen's-parade, Clifton Hill, Victoria, to the following effect:—

I, Andrew Hunter, of Hunter and Sons, of No. 113, Queen's Parade, Clifton Hill, in the colony of Victoria, boot manufacturers, do solemnly and sincerely declare that—

Having been shown a copy of the petition presented to the Senate on the 18th August, 1906, and purporting to be tendered by the boot and shoe manufacturers of Victoria, New South Wales, and South Australia, and to which my signature is attached—I was greatly surprised to find on reading the petition carefully, that it does not contain the matter as represented. At the time I signed the petition I was too busy to read such a lengthy document, and simply took the explanation offered as to what it actually represented—

Senator MILLEN.—There has been no petition presented to the Senate.

Senator GUTHRIE.—This is a memorandum presented to the members of the Senate, and proceeds—

and I signed it understanding it to be a petition from the boot and shoe manufacturers to the United Shoe Machinery Company asking that they would place their machinery with the boot and shoe manufacturers on a more equitable, reasonable, and business-like footing, and to amend and strike out those objectionable clauses at present to be found in their leases. This was exactly the impression conveyed to me when I signed the petition.

And I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of an Act of the Parliament of Victoria rendering persons making false declarations punishable for wilful and corrupt perjury.

Declared at Fitzroy, in the State of Victoria, this twentieth day of August, one thousand nine hundred and six.

Before me, R. D. Hooper, J.P.

A. HUNTER.

These declarations disclose facts which I think ought to be laid before honorable senators.

Senator MILLEN.—The honorable senator promised before he sat down, to deal further with the case of Mr. Marshall. I asked whether the honorable senator affirmed, or Mr. Marshall affirmed, that he had never received any allowance in respect of the particular machine.

Senator GUTHRIE.—I said that Mr. Marshall had not received any allowance in regard to the particular machine, but that he had received the £80 in respect of other machines.

Senator MILLEN.—My question was a simple one. Did Mr. Marshall receive any rebate or allowance from the company in respect of this particular machine?

Senator GUTHRIE.—I believe not.

Senator PULSFORD.—The honorable senator "believes not."

Senator GUTHRIE.—Mr. Marshall's own statement is that he received nothing.

Senator Sir JOSIAH SYMON.—And the honorable senator has Mr. Marshall's receipt showing that he has received an allowance.

Senator GUTHRIE.—Yes, for something else.

Senator Sir JOSIAH SYMON.—No; absolutely in respect of the particular machine.

Senator GUTHRIE.—I have not the number of *Hansard* here which would show the receipt, but we shall have ample opportunity to discuss the matter in Committee.

Senator Sir JOSIAH SYMON.—We shall go into Committee on the Bill, and not on Mr. Marshall.

Senator GUTHRIE.—It was Senator Symon who first introduced this matter into the debate.

Senator Sir JOSIAH SYMON.—I am not responsible for introducing the case of Mr. Marshall.

Senator GUTHRIE.—But the honorable and learned senator is responsible for introducing the subject of the company's

business, and honorable senators have taken up the position that the United Shoe Machinery Company acted unjustly—that it leased the machines, and would not allow manufacturers to instal other machines. That has been denied.

Senator Sir JOSIAH SYMON.—It has, and the man who is said to have denied it has made a declaration that the denial is not correct.

Senator GUTHRIE.—There is plenty of proof, which we shall have another opportunity to consider. As to the Bill, I shall vote for the second reading, and agree to its passing, with some amendments, always regarding it merely as a tentative measure. I hope that before long we shall have a Bill to deal with any dangerous monopolies which may be in our midst, but I do not think the measure before us will be effective, though some good may come of it.

Motion (by Senator CROFT) agreed to—

That the three statutory declarations read by Senator Guthrie be laid upon the table.

Motion (by Senator PULSFORD) agreed to—

That the documents be printed.

Senator HENDERSON (Western Australia) [8.40].—If the importance of the measure we are now discussing is to be measured by the length of the debate, and, I think, I would be right in saying, by the high quality of the debate, then, undoubtedly, it is of vastly greater moment than one would be led to suppose, judging from the numerous honorable senators who have so coldly turned their backs upon it. I am not one to run bald-headed against what are known as trusts and combinations. I am not going to characterize them as infamous, or as practically a menace to our existence. In fact, I have rather a kindly regard for trusts, being inclined to look upon them as creatures of the very circumstances under which we live—as a natural product of our times. Trusts appear to me to be just the very result that we might expect from the advance of the evolutionary process in industrial life. If we look back, it seems a great number of years since the small things in industrial life were left behind. Although only a few years have gone by since trusts came into existence, it seems almost centuries since manufactures were carried on in small factories by individual employers,

and under conditions which are entirely dissimilar from those prevailing in our industries to-day. It is of no use to dream that we are going to bring back the little man. Like Julius Cæsar, he is gone and will stop where he is. The trusts and combinations have come, not to take the place of the man who has gone, but because the advance of the evolutionary process in our industrial life have given them scope and life. If it were possible by legislation to annul the power of the trusts, that would at once kill the entire influence and mighty operation of combinations, and by one fell stroke advance the civilization in which we live. I am inclined to disbelieve any such thing. The combination of capital was essential to the conditions of the day when it combined. Industry was calling forth efforts greater than had hitherto been put forward. Industry was crying out to be handled by scientific methods which had never yet been applied. A product was required to be put on the market at the most economic cost at which it could be done. Would any man dream for a moment that the small boot factory of one man and a boy in those times could carry on the industry in the same way as does the boot factory to-day with probably 2,000 men and half as many boys? Of course, I am not speaking of boot factories in Australia, because they have not yet attained to that stage when they employ such a large number of men. I am speaking of boot factories which, to my knowledge, employ that number of hands. Can we imagine for a moment that one factory with a man and a boy would be able to carry on the boot industry as economically and successfully as a factory in which are employed the grandest machines that brains and money have been able to devise, and to continue to satisfy all the demands of the market? We, of course, do not incline for a moment to any such belief. I hold that trusts have—as I fully anticipated—worked in a way that has been of infinite service to a good few millions of people. The establishment of trusts and combinations has proved that the man on whose behalf Senator Gray made so eloquent an appeal this afternoon is, after all, not an essential element in this or any other community; that he is an incubus on any community; and that there is no room for the calling in which he is engaged. Trusts have shown

that the middleman, too, can easily be dispensed with. They have also shown that a greater factor is operating side by side with themselves, but upon an entirely scientific and unquestionably honest basis, not endeavouring to meet the trusts, not following the example of the Oil Trust, to which Senator Guthrie has referred, but working its way quietly amongst the people of the civilized world—as it has been doing for the past sixty years—and spreading so very widely that ultimately it will swallow the trusts. The trusts will have their bridges to burn, and both they and the bridges will undoubtedly go before the great economic force that is working such a complete revolution in the commercial and manufacturing history of England, and in the productive and manufacturing countries of Germany and Belgium, and which is also achieving such wonderful results in the agricultural and pastoral pursuits of Holland. I refer to the great movement known as the co-operative movement. Side by side with the trusts has grown up the great factor that is leading to the solution of the problem which we are trying to solve, and with which I think we are dealing in altogether a wrong way. I believe that there is only one way of stopping such a trust, as for instance, the shipping trust. Of course, Senator Guthrie, who is a very staunch advocate of the shipping combine, does not believe that we can ever suffer any wrong at its hands. I am not going to accuse the combine of having inflicted any wrong upon us. I am only submitting that, as it is a trust or combine, one day it may possess a power, and by the exercise of that power inflict upon us a very serious injury, and that even with this legislation at our back, we should be quite impotent to deal with it. If, however, we laid down a basis for the nationalization of combinations and trusts which might operate in restraint of trade and to the public detriment, then we should be taking the step which inevitably we should have to take in the end.

Senator Sir JOSIAH SYMON.—But that is not the policy of the Government.

Senator HENDERSON. — I do not know what the policy of the Government is. I am inclined to believe that it is to try to prevent the nationalizing of these industries.

Senator MILLEN.—The Government have a very funny way of showing its policy then.

Senator PLAYFORD.—We want to regulate them.

Senator HENDERSON.—My opinion is that Ministers are making the very best effort which they possibly can make to prevent injurious combinations. I do not think that they could have conceived of a grander method by which to retard the process of nationalization. It can only be retarded, because its advent cannot be prevented by either this or any other Government. It would be just as sensible to set ourselves the task of preventing trusts and combinations from coming. Where is there a man with a knowledge of commerce or industry to-day who would regard the stamping out of trusts and combinations as possible?

Senator MILLEN.—What is the Bill for, then?

Senator HENDERSON. — I do not know.

Senator PLAYFORD.—To prevent trusts from doing an injury. A trust is not in itself an evil thing. Under the Bill we can deal with trusts when they do become injurious to the public.

Senator HENDERSON.—I believe that the Bill is an honest attempt on the part of its framers to deal with trusts and combinations when they have become harmful to the industries of Australia. It is also aimed at the protection of the wages of the worker.

Senator Sir JOSIAH SYMON.—Does the honorable senator think it will succeed in doing that?

Senator HENDERSON.—Certainly not. How would it be possible to protect the wages of a worker against the operations of a combination, which may do practically anything it likes? It is a large combination, but immediately it sets its foot upon Australian soil it waters its stock. The worker has to pay for the watering of the stock, and what could the Government, even with the provisions of this measure, do? They could no more call for an honest deal between the trust and the worker than I could. The man who watches matters closely and takes notice of industry and commercial life must see very clearly that trusts are merely the things we might have looked for. They are going to wipe out the small man and having buried him, their *in memoriam* will be pronounced by the nationalization of industries. Senator Guthrie was very much concerned about the position of the oil business in South Australia. I think that it was prior to 1894 that the United

States law was brought to bear, in Missouri, against the Standard Oil Company, but it utterly failed to achieve a conviction. The attempt to get a fair deal for the consuming public from the company was futile. On coming into office as Attorney-General of Missouri, Mr. Hadley—a young, but undoubtedly very smart man—began to look up the legislation of the State, and at last he found that it possessed a law which was powerful enough to grapple with the evil with which the Federal law was utterly impotent to deal. He moved the Court, and got an injunction. He tackled this great company—consisting of three parts and known under three names. He put the company into such a position that the president of the central board of directors went so far as to deny its existence, as to tell Mr. Hadley on oath that he did not know where the office of the company was. The Attorney-General of Missouri, however, was not prepared to be balked by an answer of that kind. He returned to the Court, and getting greater power, he compelled an answer to his question with the result that ever since that time Missouri has been able to deal with that great octopus, the Standard Oil Company. If Senator Guthrie will look through the Bill, until he is half as old again as he is, I do not think he will ever see any provision within its four corners which would enable the Commonwealth Government to deal with a concern which was operating strictly within the limits of one State. Therefore, if there is a possibility of any one of the States being injured by an operation of that character, then certainly the remedy for the injury will have to be provided by the State.

Senator BEST.—I think that the honorable senator is mistaken.

Senator HENDERSON.—I may be mistaken, but that is how, as a layman. I read the provision in the Constitution. I have come to the conclusion that there are so many differences of opinion amongst the legal members of the Senate on legal questions that laymen do well to form their own opinions. The Bill, in my opinion, will be unable to accomplish what it sets out to do. I also think it would be a great pity if it did accomplish all that it purports to do. It is impossible that it can be of any service to the worker. When his interests are weighed in the balance, how infinitesimal they are as compared with the mighty power of the opposing

forces! If the worker is to get justice, we must adopt that great system to which I have previously referred—that system that is manufacturing and distributing goods in England to the extent of about £96,000,000 per annum; that system that is doing such excellent work amongst the farmers and pastoralists of Holland; that system that is showing such excellent results in the German banking accounts; that system that is working out so handsomely in Belgium—the system of co-operation. That is the only system that will give the worker his due; and when he gets his due, he will not be receiving about 10 per cent. of what he produces, but at least 90 per cent., and the extra ten will go to pay “the other fellow” who is doing the distributing. I shall vote for the second reading.

Senator STORY (South Australia) [9.10].—I have no desire to prolong a debate which, it appears to me, has already been protracted to a wearisome length. Many long speeches have been made both for and against the measure. While there may be some reasons for them on the part of honorable senators who think that this is a bad measure, there is no reason why those who, like myself, wish to see it taken into Committee, should delay the proceedings. Possibly, if honorable senators who have indicated their intention of voting for the second reading had done so without giving such lengthy reasons, the Bill would have been law by this time, and the Senate would have been enabled to proceed with other possibly more important business. I do not wish it to be imagined that I am attempting in any way to lecture those who have made long speeches. Possibly, they may have acted from a strong sense of duty. But it occurs to me that a great deal of time is wasted in debating the second reading of a measure, nearly the whole of which has to be gone over again in Committee. A number of combines have been referred to as existing in Australia, and it has been said that this Bill will affect them. One combine has not been mentioned which, in my opinion, is doing as much harm to the people of Australia as any that has been denounced. I refer to the combine which regulates the publishing of the news of the world in our newspapers. It has been referred to in connexion with another Bill. I am glad to notice that Senator Pearce has on the notice-paper an amendment

which he will propose in Committee to deal with that combine. When it comes forward, I shall be prepared with evidence which, I hope, will convince the Senate that it is a combine which should, if possible, be brought under the Bill. I intend to vote for the second reading, though I do not think that the expectations of the warmest supporters of the measure will be realised. I believe that combines cannot be regulated by a Bill of this description. But until the majority of the electors of Australia can be shown that it is impossible to regulate combines, and prevent the evils that arise from them by such legislation as this, they will not be in a frame of mind to agree to the only certain remedy for monopoly, and that is the nationalization of all huge concerns such as the combines which have been mentioned, and the working of them in the interests of the whole of the people of Australia.

Senator MILLEN.—The honorable senator will support the Bill in the belief that it will be a failure.

Senator STORY.—I believe that it will be to a great extent a failure, though at the same time the dumping clauses will, in my view, give some immediate relief to many of our manufacturers.

Question resolved in the affirmative.

Bill read a second time.

In Committee:

Clause 1—

This Act may be cited as the Australian Industries Preservation Act 1906.

Senator Sir JOSIAH SYMON (South Australia) [9.16].—Now that we have got into Committee on the Bill, I shall do all that I can to assist in removing what I think are ambiguities and difficulties from it. The more I examine the Bill, the more I adhere to the opinion which I expressed in the second-reading debate—that it is not deserving of encomiums either for its drafting, its grammar, or the scheme embodied in it. When we reach the clauses which appear to me to be susceptible of improvement, I shall indicate many respects in which they require attention, in order to give them even the appearance of being workable. It is about the most muddled measure I have seen for some time. First of all, I ask honorable senators to consider the title. It is desirable that we should have a title that signifies what the Bill is. The present title is, most of us will admit, an absolute sham. The Bill is not intended to preserve Australian industries.

Surely the Government does not wish to give to the Bill a title which is a mere electioneering placard. The title "Anti-Trust Bill" would sufficiently define it.

Senator BEST.—That would not cover the dumping clauses.

Senator Sir JOSIAH SYMON. — Did the honorable senator ever see the word "dumping" in a piece of legislation before? I have no objection to the word, if honorable senators like it; but it is not to be found in any legislative measure in the world.

Senator STORY.—Is it American or Australian?

Senator Sir JOSIAH SYMON.—I really do not know. It is a kind of slang term. I move—

That the words "Australian Industries Preservation" be left out, with a view to insert in lieu thereof the word "Anti-Trust."

Senator BEST (Victoria) [9.20].—The title "Anti-Trust" would be more or less misleading. It would make it appear that the Bill was intended to deal simply with trusts. As a matter of fact, Part III. deals with the prevention of dumping, and that is an essentially valuable feature of the measure. Indeed, some honorable senators have gone so far as to suggest that it is the most valuable portion. We now have an expressive title which truthfully indicates the objects aimed at. We should adhere to it. It would be unwise for us to accept a title that would fail to explain comprehensively the purport of the Bill.

Senator CROFT (Western Australia) [9.23].—I propose to support the Bill for similar reasons to those given by Senator Pearce; but I am not at all favorable to the present title. "Australian Industries Preservation Bill" may be a good enough title for those who desire to go to the country with an electioneering placard, but that is not a sufficient reason for adopting it from my point of view. I support the Bill because I am opposed to trusts and dumping. If it could be called "Anti-Trust and Anti-Dumping Bill," I think the case would be met.

Senator Sir JOSIAH SYMON.—I do not mind that, if the honorable senator thinks it is necessary.

Senator CROFT.—I shall support Senator Symon's amendment until I hear a better suggestion.

Senator PLAYFORD (South Australia—Minister of Defence) [9.25].—What we wish to secure is a title that will express as briefly and as fairly as possible the purpose of the measure. Although I do not pretend to say that the present title—which I only wish could be made shorter—is the best that could be found, it certainly is the best that I have heard of up to the present to express the real object and meaning of the Bill. Suppose we used the words "anti-trust," we should have to put in some other words such as "anti-dumping," and even then the whole object of the Bill would not be expressed. The measure does not exclusively deal with trusts but with individuals and with combinations of all sorts which are not trusts. The word "trusts" would not cover a great many of the matters dealt with. If we were only dealing with trusts, I could understand the suggestion, but we are dealing with monopolies which are not necessarily brought about by means of trusts—with monopolies created by means of combinations of various sorts, and, in addition, with monopolies which are created by individuals.

Senator CROFT.—In the interpretation clause there appears—

"Commercial Trust" includes a combination, whether wholly or partly within or beyond Australia, of separate and independent persons (corporate or unincorporate) whose voting power or determinations are controlled or controllable by—

- (a) the creation of a trust as understood in equity, or of a corporation, wherein the trustees or corporation hold the interests, shares, or stock of the constituent persons. . . .

Senator PLAYFORD.—That is simply a definition of "Commercial Trust," whereas the Bill deals also with individuals. Clause 7 speaks of—

Any person who monopolizes or attempts to monopolize, or combines or conspires with any other person to monopolize any part of the trade or commerce. . . .

Under the circumstances the word "anti-trust" would not be truthful.

Senator CROFT.—But according to the interpretation clause "person" includes corporation and firm, and also a commercial trust.

Senator PLAYFORD. — Yes, "includes"; but if we used the word "anti-trust," it would imply that we were dealing only with trusts. Whatever title we have,

let it be truthful. If any honorable senator can suggest a better and more complete title, I shall consider it, but under the present circumstances I must oppose the amendment.

Senator MILLEN (New South Wales) [9.28].—We so frequently feel called upon to suggest want of consistency on the part of our fellow senators that it is with considerable pleasure I compliment Senator Best on the remarkable consistency he has displayed this evening in his remarks on the title of the Bill. I need hardly remind the honorable senator that on quite a recent occasion he ventured to defend the title of another Bill on the ground that it was picturesque.

Senator BEST.—And expressive.

Senator MILLEN.—I am quite certain that Senator Best made use of the term "picturesque." Now it seems from his remarks that the same artistic idea is present, and he desires to have a picturesque placard in the forefront of this Bill. I quite agree with the Minister of Defence that the title should be expressive of what the Bill is supposed to contain. But there seems to be a feeling in the Chamber that the present title does not quite meet the case. I recognise the deficiency in the title suggested which does not completely describe the measure. Before I make any suggestion, I desire to point out that if honorable senators read the debate which has taken place, and also the criticisms and articles in the newspapers, they will find the Bill invariably referred to as the "Anti-Trust Bill." If we were to go to a man in the street, and ask him if he knew of the "Australian Industries Preservation Bill," he would certainly think we were talking about the Tariff or bounties, whereas if we asked him if he knew the "Anti-Trust Bill" he would recognise it at once.

Senator O'KEEFE.—Does the honorable senator seriously put that forward as a reason for altering the title?

Senator KEATING.—The same argument might be used for calling the Capital Sites Bill the "Bush Capital Bill."

Senator MILLEN. — And it probably will be used before the debate on that subject is over.

Senator KEATING.—That is the honorable senator's argument—that the newspapers so refer to the Capital sites.

Senator MILLEN. — Only one newspaper.

Senator KEATING. — I could show the honorable senator more than one newspaper which speaks of the "Bush Capital."

Senator MILLEN.—I am not disputing the fact that some newspapers which support the honorable senator do so speak of the Capital Site; but I have no knowledge of those newspapers, and I do not want it. My suggestion is that if we desire to express readily, not merely to lawyers, but to ordinary citizens, what the Bill deals with, we ought to make the title the "Trusts and Dumping Act 1906." That certainly would convey at once the idea that this was a Bill dealing with trusts, and also with dumping.

Senator PEARCE.—Why not call it the "Trusts and Dumping Regulation Act"?

Senator PLAYFORD.—That is rather long, and we had better leave the title as it is.

Senator MILLEN. — Whatever title is adopted, we ought not, at any rate, to have the present one. I entirely agree with Senator Croft that, whilst the present title may be useful as an electioneering placard, it possesses no other advantage. As one who believes in legislation for the regulation of trusts, I strongly object to a title which might appear to many minds to have a fiscal bearing.

Senator PEARCE (Western Australia) [9.32].—I suggest that we adopt some more descriptive title than the present one. The Government, in one particular, themselves saw the necessity for a change in this direction, because in the digest of cases which they furnish they used the phrase "anti-trust legislation."

Senator Sir JOSIAH SYMON. — And the same phrase was used in the abstract of legislation.

Senator BEST.—That dealt only with a branch of the Bill.

Senator PEARCE.—United States Statutes, which number altogether twenty-one, and deal with a variety of subjects, are all called "anti-trust laws."

Senator DE LARGIE.—The United States Acts are generally referred to by the name of the introducer, as in the case of the Elkin Act.

Senator PEARCE. — In all the text-books the United States Statutes are comprehensively referred to as "the anti-trust laws." Each principal law takes the name of the introducer of the Bill, but

the whole are referred to in the way I have indicated. I move—

That the amendment be amended by inserting after the word "Anti-trust" the words "and Regulation of Dumping."

Senator MCGREGOR.—Why not name the Bill the "Trust and Dumping Act"?

Senator PEARCE. — We are not now amending the order of leave, and neither are we laying out the full scope of the Bill. All we are doing is to fix upon a short title, and the fact that we leave out one section does not affect the matter. We require a short title expressive of the main lines of the Bill. The first part deals with the regulation of trusts and monopolies, and we know that trusts are sometimes spoken of as monopolies, and *vice versa*, so that the word "anti-trust" would cover it. The second part deals with, not the prohibition, but the regulation, of dumping, and there again the title I suggest would cover the whole scope of the measure. I agree with those who say that the present title is altogether a misnomer. The Bill does not affect a large number of industries, and it is very doubtful whether in actual operation it will tend to the preservation of Australian industries. On the other hand, I can quite conceive that, if used to its fullest extent, it might mean the ruin of certain Australian industries. The draftsman has not adopted the title generally used by writers on legislation of this class, and I trust the Government will see the error they have made and accept the amendment.

Senator STEWART (Queensland) [9.35].—I intend to support the Government in adhering to the present title of the Bill. I do not think that the term "Anti-Trust" would apply, for the simple reason that this is not an Anti-Trust Bill until a trust has become injurious, and has done something with intent to destroy or injure an Australian industry, the preservation of which is advantageous to the Commonwealth. The real purpose of the Bill is to protect Australian industries, and that being the case, I think the present title is sufficiently expressive of the intention.

Senator DRAKE (Queensland) [9.36].—There is, I think, one title which would correctly describe every part of the Bill, the whole of which has to do with the operations of trade. The Bill affirms that under certain circumstances the operations of trade shall be restricted, because, in

consequence of rings or monopolies, there may be a danger of those operations being injurious to Australian industries. In regard to the dumping clauses, it is suggested that trade, if left free and unrestricted, might also be injurious, and, therefore, I suggest the title, "Trade Restriction." The whole object of the measure is, under certain circumstances, to restrict trade, and we cannot imagine any title which would describe every operation that may take place. This Bill admittedly is a preventative measure, to come into operation whenever some danger threatens any particular industry, and, as I say, it seeks to restrict trade under certain circumstances. I make this suggestion in reply to the challenge of the Minister of Defence for a comprehensive and correctly descriptive title.

Senator MCGREGOR (South Australia) [9.40].—I do not see why we should wander all over the place looking for a title. I do not suppose that we shall be any better off when the Bill is christened than we are at present. I should like to direct attention to the position as it appears to me. This is not an Anti-Trust Bill—it is not for the purpose of legislating against trusts.

Senator Sir JOSIAH SYMON.—I think the suggestion that the honorable senator has already made is the best one.

Senator MCGREGOR.—This is really an Anti-Monopoly Bill, and it only comes into operation when a monopoly becomes injurious. To what is a monopoly going to be injurious? Is it not to Australian industry?

Senator KEATING.—That is the key-note of the Bill.

Senator MCGREGOR.—The Bill is directed against injurious monopolies, and there must be injury to Australian industries before any action can be taken; and yet we are going hunting round for such titles as the "Anti-Trust Regulation Act," "Anti-Trust and Dumping Regulation Act," and so forth. The whole purpose of the Bill is the preservation of Australian industries. No monopoly, no trust, no individual, is interfered with until their operations become, in a certain way, detrimental to some Australian industry. If honorable senators are so indefinite, why not accept the present title?

Senator MILLEN (New South Wales) [9.42].—The strong appeal made for truthfulness suggests to me how misleading the

title really is. Senator McGregor has pointed out that by the Bill we propose to legislate against trusts and monopolies only when they threaten an Australian industry, and that, therefore, the title is quite accurate. Might I ask the honorable senator whether the Bill will protect the cattle industry of the northern rivers from tick? That industry is threatened to-day; will the Bill preserve it?

Senator MCGREGOR.—The industry is not threatened by a monopoly.

Senator MILLEN.—But the title says nothing about monopolies, and I have mentioned an industry which is threatened. Then, again, there is the apple trade of Tasmania which is threatened by the codlin moth; does the Bill preserve the apples of the little island? Therefore, I say that the title does not accurately describe the purpose of the Bill, but is far too comprehensive for a measure which deals only with certain industries, and seeks only to preserve them from certain dangers. It seems to me that the title suggested by Senator McGregor, in an interjection, namely, the "Trust, Monopoly, and Dumping Act" is better than the present title.

Senator Sir JOSIAH SYMON (South Australia) [9.44].—I was rather astonished to hear the vehement and earnest eloquence of Senator McGregor. I thought the honorable senator rose to support the suggestion he threw out by way of interjection, but his remarks show the value we are to attach to his suggestion made with a view to shortening the discussion. The honorable senator first suggested that this should be called "The Trust and Dumping Act," and I then, also by way of interjection, expressed the opinion that that was infinitely preferable to the present title. In spite of the ingenious and casuistical reasoning of Senator McGregor, there is no doubt that the present title is utterly misleading. There are hundreds of ways of preserving Australian industries. I, as a free-trader, know of one great way, and I suppose that Senator McGregor knows of another way, namely, by nationalization. I do not know whether he adheres to that policy, but, judging from his recent remarks, I should say that he repudiates it. The present title assumes that the Bill which we hope to place

on the statute-book in some shape or other is the only measure for the preservation of Australian industries.

Senator MCGREGOR.—It is not "the," but only "a," measure with that object.

Senator Sir JOSIAH SYMON.—It is described as "The" Australian Industries Preservation Bill.

Senator BEST.—It is a Bill—

For an Act for the Preservation of Australian Industries, and for the Repression of Destructive Monopolies.

Senator Sir JOSIAH SYMON.—We are not dealing with the long title of the Bill, but with the short title, which is clearly misleading. I am quite willing to adopt the suggestion of Senator McGregor, but, in my opinion, the better title is "Monopolies and Dumping Act," because that covers the whole subject, and even that term I am quite willing should be amended if it can be shortened. The Sherman Act contains no short title, but the expression in the marginal note is "Anti-Trust Act." That term would be ample, but still, I do not desire to put that in. I think it is very much better without than with "anti."

Question—That the words proposed to be left out be left out—put. The Committee divided.

Ayes	...	...	...	9
Noes	...	...	...	13
Majority				4

AYES.

Baker, Sir R. C.	Mulcahy, E.
Croft, J. W.	Pulsford, E.
Dobson, H.	Symon, Sir J. H.
Drake, J. G.	<i>Teller:</i>
Millen, F. D.	Pearce, G. F.

NOES.

Best, R. W.	Playford, T.
de Largie, H.	Smith, M. S. C.
Findley, E.	Stewart, J. C.
Henderson, G.	Story, W. H.
Higgs, W. G.	Styles, J.
Keating, J. H.	<i>Teller:</i>
McGregor, G.	Guthrie, R. S.

PAIRS.

Clemons, J. S.	O'Keefe, D. J.
Gray, J. P.	Trenwith, W. A.

Question so resolved in the negative.

Amendments negatived.

Clause agreed to.

Clause 2—

This Act is divided into parts as follows:—

Part I.—Preliminary.

Part II.—Repression of Monopolies.

Part III.—Prevention of Dumping.

Senator PULSFORD (New South Wales) [9.53].—I desire to draw attention to the expression "Repression of Monopolies." In the Bill, I understand, it is not proposed to abolish monopolies. The Minister has told us that some monopolies are of a beneficent character; therefore, I suppose he does not wish us to abolish that which is beneficent.

Senator PLAYFORD. — "Repression of Monopolies," would only refer to the repression of injurious monopolies. It would not interfere with beneficent monopolies.

Senator PULSFORD.—The clause does not say that. I move—

That the word "Repression" be left out, with a view to insert in lieu thereof the word "Regulation."

Senator Sir JOSIAH SYMON (South Australia) [9.54].—I have no objection to the omission of the words "Repression of." I do not see why Part II. of the Bill should not be called "Monopolies." I do not think that the word "Regulation" should be inserted, because it is not a Bill for the regulation of monopolies. The only monopoly which ought to be recognised is one which raises prices; but still, if the Government wish to retain the word "Monopolies," I have no objection. I see no necessity, however, to insert "Regulation" in place of "Repression."

Amendment, by leave, withdrawn.

Amendment (by Senator PULSFORD) negatived—

That the words "Repression of" be left out.

Clause agreed to.

Clause 3—

In this Act, unless the contrary intention appears—

"Commercial Trust" includes a combination, whether wholly or partly within or beyond Australia, of separate and independent persons (corporate or unincorporate) whose voting power or determinations are controlled or controllable by—

(a) the creation of a trust as understood in equity, or of a corporation, wherein the trustees or corporation hold the interests, shares, or stock of the constituent persons; or

(b) an agreement; or

(c) the creation of a board of management or its equivalent; or

(d) some similar means;

and includes any division, part, constituent, person, or agent of a Commercial Trust.

Senator Sir JOSIAH SYMON (South Australia) [9.55].—I desire the Minister to explain the definition of "Commercial

Trust." What, for instance, is the meaning of the expression "the creation of a trust as understood in equity"?

Senator PLAYFORD.—That is a legal question, which my honorable and learned friend ought to be able to answer. It is really too bad to ask me what it means.

Senator Sir JOSIAH SYMON. — I quite expected to receive that answer, because I have never heard of such trusts "in equity" as are sought to be dealt with by the clause.

Senator KEATING.—"As understood in equity."

Senator Sir JOSIAH SYMON.—Certainly not. The trusts which are supposed to be dealt with by the Bill are trusts as understood in commerce, I should think.

Senator KEATING.—The word "trust" in paragraph *a* is used to express the legal relation that would arise between the persons.

Senator Sir JOSIAH SYMON.—But it does not express it.

Senator KEATING.—I think so.

Senator Sir JOSIAH SYMON.—Does the Minister know of any Act on which this Bill is supposed to be founded, and in which that expression is used? I can find none. Neither the Sherman Act nor the Wilson Act contains the phrase. But in each Act the word "trust" is used. I do not propose to move the omission of the words "as understood in equity." The Bill is beset with enough difficulties already, and I invite the Minister to consider if it is not encumbering the expression "trust," which is well understood in connexion with these things in commerce, by surrounding it with something which is supposed to give it a legal interpretation, but which would only confuse it. If he will look at the beginning of the interpretation, he will see that—

"Commercial Trust" includes a combination, whether wholly or partly within or beyond Australia, of separate and independent persons

What does that mean? Why not say simply "a combination of persons"? Persons are all, I suppose, separate and independent. Why put in the words separate and independent, then? If there is any particular signification in using the words, I think that the Committee ought to be informed of what it is. Then the definition also contains the words "corporate or unincorporate." I do not know what that means. Really, it is the

funniest Bill I have ever seen. Some person with a copious command of terms has simply put in as many as he could. If my honorable friend will look at the definition of "person," he will find that it includes a corporation. Why, then, in the definition of "commercial trust," say persons corporate or unincorporate? Surely, it is sufficient to say "a combination of persons" unless there is some signification sought to be attached to the words to which I have referred.

Senator KEATING (Tasmania—Honorary Minister) [10.0].—The word "trust" as used in paragraph *a* of the definition of "commercial trust" is not synonymous with the word "trust" as used in the term "commercial trust," but is used to express the legal relation that arises between persons who have placed themselves in some position of mutual agreement. In order to realize the necessity for the use of those words, we must consider the history of American trade both prior to and since the introduction of what is known as the Anti-Trust Law of the United States. First of all, the Legislature of that country was confronted with this position—that a number of persons who were engaged in a particular department of trade or enterprise would enter into what was known as a simple combination. They would combine together for a common purpose, either to prevent the continuance of the competition in which they had been engaged one against the other, or to regulate the prices at which they would sell the articles, which all of them produced, or to regulate the prices at which they would buy, say, stock, to be afterwards converted into meat to be sold to the public. Legislation was introduced to prevent that mischief, and under its provisions the Courts found it very easy to repress such combinations. They were enabled to rule that any combinations of that character were against the law, and, consequently, the contracts which had been entered into to bring the combinations into existence were invalid, and, in some instances, subjected the contracting parties to penalties. But, not to be daunted by such legislation, these ingenious individuals conceived another method of effecting the object which they had intended than that which the law had already decided was illegal, and should be punishable. They then decided to appoint certain persons who would represent them in common. They would be-

come, so to speak, a combination or corporation amongst themselves. Their own stock in the corporation they parted with individually to trustees. They gave the trustees the legal power to regulate and to carry out their combined business, and the relation in which the parties stood one to another and with the trustees holding the several stocks of the different individuals was a relation which would be known in law as a trust. The trustees held the stock and regulated the business. The only evidences of their title that the individual persons engaged in the business held were certificates or declarations from the trustees. Legally speaking, therefore, the trustees, as representing all the individuals, could carry on the combined business in a way in which the law had declared that several persons by a simple combination could not do. For some time, they managed to evade the principles of the law by establishing a trust of that kind. It is in order to prevent a combination of that character being formed that it is provided in this clause that a commercial trust shall include amongst other things a number of persons combined together, controllable by—

(a) the creation of a trust as understood in equity.

The object is to prevent them from combining together and appointing certain trustees to legally represent them, who might otherwise say, "We, and not these several individuals, are carrying on this business." That is why the word "trust" is used in that connexion.

Senator Sir JOSIAH SYMON.—The use of the word "trust" is perfectly right, but it is the use of the phrase "as understood in equity" which is wrong. If my honorable friend will look at the dictionary he will see that it is not as understood in equity, but as understood according to commercial usage.

Senator KEATING.—What we are seeking in the definition of commercial trust to do is to provide that persons who combine together simply and openly shall come within its scope. We also want to provide that they shall not escape the penalties attachable to the establishment of a commercial trust for the injury of Australian industries, simply by parting, so to speak, with their stock in a joint concern or corporation to trustees, and so placing themselves in relation to the trustees and in their mutual relations one to another in the position of a

number of parties between whom there is what is known as the equitable relation of a trust. That is the reason why we have this paragraph—

- (a) the creation of a trust as understood in equity or of a corporation, wherein the trustees or corporation hold the interests, shares, or stock of the constituent persons.

The experience of America has revealed that it is not sufficient to provide that persons shall not simply combine together, because these men have been able to evade such legislation. It dictates the necessity for provisions as stringent as this one. I agree with Senator Symon that the words "as understood in equity" cannot be found in any Act.

Senator Sir JOSIAH SYMON.—All I ask is whether anything is gained by putting after the word "trust" which is a commercial trust, the words "as understood in equity."

Senator KEATING.—I think so.

Senator Sir JOSIAH SYMON.—No, because it is not as understood in equity, but as understood commercially.

Senator KEATING.—In this clause we are speaking of a number of persons combined together. The term "commercial trust" was adopted as a convenient method of expressing an organization banded together—

whose voting power or determinations are controllable by the creation of a trust as understood in equity.

Senator MILLEN.—As the clause defines it, why leave something to be understood?

Senator KEATING.—We are leaving nothing to be understood.

Senator Sir JOSIAH SYMON.—Does the honorable senator find the expression in any other Act?

Senator KEATING.—No; and I am pointing out the reason why. In America legislation has been of a piecemeal character, and in this Bill we are taking advantage of the American experience. We want to make the Bill as watertight as we can.

Senator Sir JOSIAH SYMON.—The first Sherman Act had the word "trust."

Senator KEATING.—And it was found to be weak in practice. There is no limit to the ingenuity of persons who desire to evade the law. I do not suggest that there is a large number of persons in this or any other community who are continually busy exercising their ingenuity in that respect. But there is a certain percentage of people

everywhere who look for loopholes, and we must have, in this regard, the widest form of expression. The definition which we are discussing uses terms which are as comprehensive as possible for expressing the relation that may exist between persons forming a trust.

Senator Sir JOSIAH SYMON (South Australia) [10.10].—Does my honorable friend Senator Keating see any necessity for leaving in the words "separate and independent"? Would not the words "of persons" be sufficient. I move—

That the words "separate and independent," line 5, be left out.

Senator MILLEN (New South Wales) [10.11].—To me the words objected to by Senator Symon appear to be ridiculous. It is not unreasonable, when anything appears in a Bill which strikes one as being superfluous, that the Minister in charge should explain why the words objected to have been inserted.

Senator PLAYFORD.—This is a matter of drafting, and I am not a draftsman.

Senator MILLEN.—If the Minister is unable to explain why the words should be retained, surely it is not unreasonable that we should object to them.

Senator PLAYFORD (South Australia—Minister of Defence) [10.12].—If honorable senators opposite cannot give reasons why the words should be struck out, it is unnecessary for me to furnish reasons why they should be retained. If they are not harmful they may as well remain.

Senator MCGREGOR (South Australia) [10.13].—I am sorry that Senator Symon has not given reasons why the words to which he objects should be struck out. If the draftsman had inserted the word "single" instead of "separate" I suppose the legal element in the Senate would have raised a question whether "single" meant "married." As to the word "independent," it is necessary that it should be included to indicate whether the members of the trusts are sober, and not leaning up against each other! Cannot honorable senators see the ridiculousness of raising an argument about such simple terms? I have heard such words read in indictments and bills of costs; and, seeing that there is no reason shown by Senator Symon why they should be struck out, I do not see why they should not remain just to give the Bill a little tone.

Senator KEATING (Tasmania—Honorary Minister) [10.14].—If honorable senators will imagine that the words "separate and independent" are out of the definition they will see that without them a commercial trust might be construed to mean any ordinary legitimate private trading corporation. The definition would read—

Commercial trust includes a combination whether wholly or partly within or beyond Australia of . . . persons corporate or unincorporate whose voting power or determinations are controlled or controllable by.

What we are legislating against is the combination of several independent persons who are separate and independent in reality and in fact, but who are combined for a specific purpose in the form of a commercial trust. That is the essence of the creation of a trust. The word "persons" includes, by virtue of the definition, a corporation or firm; and it is because they are independently carrying on business in the first instance, that when they combine together they become a trust. If there were a number of persons combined together in some branch of manufacture or industry quite legitimately, they would not be a trust. They would form a corporation for the purpose of carrying on that branch of trade. But if there is another corporation and a third, and the three combine together, they may become a commercial trust.

Senator Sir JOSIAH SYMON (South Australia) [10.16].—We are indebted to Senator Keating for his explanation. I do not think it necessary to refer to the remarks of Senator McGregor, because he evidently does not treat the question seriously. Perhaps he is incapable of treating it seriously. It is advisable that we should make this Bill as free as possible from terms that are likely to confuse. The Senate is not responsible for the drafting of the Bill, but so far as I am concerned, I propose to assist to make it as clear as possible. In the definition of "commercial trust," there should not be introduced more debatable matter than cannot be avoided. The definition is—

"Commercial Trust" includes a combination whether wholly or partly within or beyond Australia—

Of whom? Of persons. What additional efficacy is there about putting in the words "separate and independent"? We might put in "corporations and firms," and leave out persons altogether.

Senator KEATING.—"Persons" includes "firms."

Senator Sir JOSIAH SYMON.—The word "persons" includes everything we can desire to include.

Senator KEATING.—It includes more than we desire. It would bring in an ordinary company. We only want to bring in a combination of companies.

Senator Sir JOSIAH SYMON.—The Bill does more than that now.

Senator KEATING.—No, it does not.

Senator Sir JOSIAH SYMON.—My honorable friend does not understand his own clause. Every one of these persons is separate and independent. Else there could not be a combination. The words "corporate or unincorporate" are not wanted either. Why put them in? The combination is the vice that is intended to be met. But "separate and independent" are words that are calculated to create difficulty and controversy.

Senator BEST (Victoria) [10.20].—I think that the Committee will be very wise in adhering to the definition. The more it is studied the more carefully one can see that it has been drawn. It is clearly founded on cases. It seeks to deal with three separate conditions of development in connexion with trusts. First, it deals with the agreement of various firms or persons or corporations. That was the first form that the trust assumed. That was held by the Court to be fundamentally wrong, and in restraint of trade.

Senator Sir JOSIAH SYMON.—What was?

Senator BEST.—An agreement on the part of firms and corporations for the purpose of controlling trade. The next step was for the members of the trust to transfer their various stocks to trustees who executed a declaration of trust. Hence it is that the words "the creation of a trust as understood in equity," are used. That is the widest possible term that could be used. The Court also struck at that form of declaration of trust. Then came the third development. That was the creation of a corporation for the purpose of holding stocks, and thereby controlling the trade; and in the Northern Securities case—the great Merger case—it was held that that also was totally illegal. That was the biggest blow that had been struck at the trusts up to that time. This definition is drawn to meet those three separate conditions of affairs. The widest possible words are necessary in order to cover the

whole ambit of the cases which have been decided. The words are expressive.

Senator Sir JOSIAH SYMON.—Does the honorable senator think that the words “corporate or unincorporate” are necessary?

Senator BEST.—They certainly extend the meaning; but what I am urging is that the definition most comprehensively deals with each separate development—first the agreement, secondly the declaration of trust, and thirdly the holding corporations. In regard to each of these several stages cases have been decided. Whilst technically one or two words might be held to be surplusage, it is desirable that we should use words that make the meaning clear and distinct, and which would cover every case that might arise.

Amendment negatived.

Senator PULSFORD (New South Wales) [10.25].—I draw the attention of the Minister to the words “some similar means” in the interpretation of “Commercial Trust.” What is the object of these words, in view of the words of paragraph c?

Senator KEATING.—There are always some new developments in connexion with these matters, and we must make the definition as wide as possible.

Senator PLAYFORD.—The words do no harm.

Senator PULSFORD.—All that the Minister has to say is that the words do no harm.

Senator PLAYFORD.—If the honorable senator cannot show that there is any harm in the words, what is the use of his taking up time?

Senator PULSFORD.—I am merely showing that the words are superfluous, and it is usual under such circumstances to at once strike words out. However, I shall not press the point. It is not my Bill.

Clause agreed to.

Progress reported.

ADJOURNMENT.

EARTHQUAKE IN CHILI.

Motion (by Senator PLAYFORD) proposed—

That the Senate do now adjourn.

Senator PULSFORD (New South Wales) [10.28].—I had hoped that the representative of the Government would this afternoon have submitted a motion expressive of our sorrow at the great calamity

which has befallen the Republic of Chili. I now mention the matter in the hope that the Minister will consider the desirability of placing some proposal before us tomorrow.

Senator PLAYFORD (South Australia—Minister of Defence) [10.29].—I do not know what the Prime Minister is doing in the matter, but I do not think that any motion of the kind suggested was moved when a similar calamity befel our cousins at San Francisco.

The PRESIDENT.—I may say that on that occasion I sent a telegram, on behalf of the Senate, to the President of the United States.

Senator PLAYFORD.—A similar course might be adopted now, but I do not think that we should single out a South American Republic, with which we have very little connexion, when we did not submit a motion of the kind in regard to people more nearly related to us.

Question resolved in the affirmative.

Senate adjourned at 10.30 p.m.

House of Representatives.

Tuesday, 21 August, 1906.

Mr. SPEAKER took the chair at 2.30 p.m., and read prayers.

PERSONAL EXPLANATION.

Mr. REID.—I wish to take the earliest opportunity to make a personal explanation. I find that, when the motion for adjournment was moved on Wednesday last, the honorable member for Gwydir made these statements—

To-day it is alleged that thousands of pounds have been contributed by the Tobacco Trust, the shipping ring, and various big firms in Sydney, to a fund which the members of the Opposition are shepherding, and which is being used by them when travelling through the country with their wives, in the endeavour to wrest from the Government at the next elections the reins of office. . . . The leader of the Opposition is travelling through the country, utilizing the large funds placed at his command for the purpose of injuring honorable members who are here attending to their public duties.

Each of those statements is absolutely false.

Sir WILLIAM LYNE.—Is it parliamentary for the right honorable member to characterize the words of the honorable member for Gwydir as false?

Mr. SPEAKER.—I ask the right honorable member to withdraw the remark.

Mr. REID.—I withdraw it, and substitute the expression "without foundation." During my parliamentary career — and I have been the leader of a party in, I think, five political campaigns—I do not believe that a dozen subscriptions have been placed in my hands to help my party in the fight. The last of those subscriptions was received some years ago; I think in connexion with the last Federal elections.

Sir WILLIAM LYNE.—Have not subscriptions been collected by the Reform League?

Mr. REID.—That is a State league, with which I have nothing to do. The only body with which I am connected is one for which the honorable member for North Sydney is treasurer, and he has given an emphatic denial to the statements of the honorable member for Gwydir.

Sir WILLIAM LYNE.—It has been done on former occasions.

Mr. REID.—All I can say is that it is absolutely false to say that any such funds have been placed at my command, or, so far as I know, at the command of any honorable member of the party in either the Senate or the House of Representatives.

Mr. FRAZER.—Then who pays the organizers who are travelling through the States?

Sir WILLIAM LYNE.—There is a secret fund from which they are being paid, and the right honorable member is getting the benefit of it.

Mr. REID.—I have not received sixpence from any fund. I am afraid that the object of the statement was to frighten persons from subscribing to our league. I wish, therefore, to say that we are ready to accept as much as is sent along. We do not, however, intend to call upon the boys and girls in the factories to contribute from their small wages.

Sir WILLIAM LYNE.—The right honorable member has at his disposal already a fund of about £10,000.

Mr. REID.—I should like to get a little of it.

Mr. SPEAKER. — These interchanges are highly disorderly.

DUTY ON HARVESTERS.

Mr. JOHNSON. — I wish to ask the Minister of Trade and Customs a question without notice. Does the Government intend to proceed at once with the proposals to increase the harvester duties? If not, will

they discontinue the illegal collection of increased duties which Parliament has not authorized?

Sir WILLIAM LYNE.—The duties recommended by the Tariff Commission are now being collected under the motion which I moved some time since. I have not yet had an opportunity to consult with the Prime Minister and my other colleagues as to when the motion can be proceeded with; but I shall do so at the earliest possible opportunity.

HIGH COURT BENCH.

Mr. REID.—In view of the grave urgency alleged for the appointment of additional Judges to the High Court Bench, and the fact that the Bill authorizing the appointment passed through this House some time ago, does not the Prime Minister think that its passage in another place should be facilitated?

Mr. DEAKIN.—The measure is urgent, but the leader of the Senate has explained that, as it is the practice of that body to, as far as possible, finish a stage of one Bill before considering another, he has not yet been able to bring it forward. I have reason to believe that it will be proceeded with, and, I hope, disposed of this week.

AUDITOR-GENERAL'S REPORT.

Mr. WILKINSON.—Can the Treasurer inform the House when the Auditor-General's report will be presented?

Sir JOHN FORREST.—Very shortly, I should think. I shall endeavour to give the honorable member a definite answer tomorrow.

TARIFF COMMISSION'S REPORTS.

Mr. JOHNSON.—I wish to ask the Minister of Trade and Customs a question without notice. In view of the often expressed anxiety of the Government to obtain the reports of the Tariff Commission, so as to allow prompt action to rectify anomalies and provide relief for alleged declining industries, how do they reconcile their present inaction with their former apparent solicitude?

Sir WILLIAM LYNE.—I shall not answer that question.

Mr. JOHNSON. — Then I desire to know if the Prime Minister will inform the House when it is proposed to give honorable members an opportunity to deal with the reports of the Tariff Commission?

Mr. DEAKIN.—Immediately.

RABBIT-EATING ANTS.

Mr. CULPIN.—I wish to draw the attention of the Minister of Trade and Customs to part of a letter from the Government Entomologist of the Transvaal, to the Government Entomologist of New South Wales, on the subject of rabbit-eating ants. The letter was published in the Sydney *Daily Telegraph* of Friday last, and in it the writer says, with reference to the rabbit-eating ants which have appeared in the Transvaal—

I have looked this question up for you, but am unable to give you the scientific name of the ant in question. It is called the red ant by the farmers, and often causes great trouble. They infest houses, bite people severely, will carry away any sort of meat, and it has been reported that they have killed a canary in its cage. Further, I know of a house, which has a verandah infested, and the ants are very numerous and active; the people cannot stay on the verandah on account of the bite of the insects. They also worry dogs. A case has also been reported to me where these ants have caused the destruction of mice in their nests.

As he promised to obtain some of these ants, and to send them to New South Wales, I ask the Minister of Trade and Customs whether steps should not be taken to prevent their introduction until we know more about them.

Sir WILLIAM LYNE. — I think that the best rabbit destroyer in Australia at the present time is Dr. Danysz.

TASMANIAN MAIL SERVICE.

Mr. CAMERON.—I wish to know from the Postmaster-General when he will be able to give the people of Tasmania some information in regard to the tenders for a new mail service?

Mr. AUSTIN CHAPMAN. — I hope to look into the matter to-day, and shall inform the honorable member at the earliest possible moment.

CONDENSER TELEPHONE RATES.

Mr. PAGE.—Some six or seven weeks ago the Postmaster-General promised to consider whether the rates for using telephones on the condenser system in the western portions of New South Wales and Queensland could be reduced. Has he yet done anything in the matter?

Mr. AUSTIN CHAPMAN.—The whole subject of telephone rates is now under review, and I hope to give the honorable member, and other honorable gentlemen who have made similar inquiries, full information within a week or two.

PACIFIC ISLANDERS IN AUSTRALIA.

Mr. MAHON asked the Minister of External Affairs, *upon notice*—

1. What was the estimated number of Pacific Islanders in Australia engaged in the sugar industry at 17th December, 1901?

2. How many Pacific Islanders were admitted into Australia to work in the sugar industry between 17th December, 1901, and 31st March, 1904?

3. Between 17th December, 1901, and 30th June, 1906, how many Pacific Islanders engaged in sugar growing (a) died, (b) quitted Australia?

4. The number of Pacific Islanders due for repatriation after 31st December, 1906, and the number of Islanders who are to be permitted to remain in Australia?

5. Has his attention been drawn to the statement in the report of the Sugar Industry Labour Commission (Queensland) that "a considerable disparity" exists between the number of Pacific Island labourers "subject to repatriation and the number actually known to be in the various districts"; and to the Commission's finding that "the presence in the State of so large a number of unemployed Islanders (which number cannot but increase) is principally due to the fact that no administrative action has been taken under the provisions of section 8 of the Pacific Island Labourers Act 1901 (Commonwealth)."?

6. What justification, if any, exists for this charge of administrative neglect against the Commonwealth Government?

Mr. DEAKIN.—If the honorable member moves for the production of the information asked for in questions 1 to 4 as a return, the Government will not oppose the motion. In answer to question 5, my attention has been drawn to the statement referred to. It was thought undesirable to take administrative action under section 8 of the Pacific Island Labourers Act until the Commission had concluded its very valuable and useful inquiry. Had the Commission not been appointed, the Government would have dealt with the kanakas who are out of employment. In reply to question 6, no justification exists for a charge of administrative neglect against the Government. Our policy is a well-considered one.

SILVER COINAGE.

Mr. CROUCH asked the Treasurer, *upon notice*—

1. What amount of profit would come to the Commonwealth from the institution of Australian silver coinage?

2. What is the reason why it has not been established, and for how long will this large revenue be lost to Australia?

Sir JOHN FORREST. — The answers to the honorable and learned member's questions are as follow :—

1. The average amount of silver coins issued to the Commonwealth, in the fifteen years ended 31st December, 1905, was £77,000 per annum. Taking this as a basis for the future, the profit to the Commonwealth will be about £38,000 per annum, or, roughly, one-half of the nominal value of silver coins to be issued. This does not take into consideration the profit (if any) to be derived from the withdrawal of the existing coinage, and the substitution of an Australian coinage, neither does it take into account the cost of rehabilitation of gold coinage. The amount of the existing coinage is estimated at from £1,200,000 to £2,000,000.

2. It is desired to establish a decimal system of money concurrently with an Australian silver coinage, and to facilitate that end, the Imperial authorities were asked on the 10th March, 1905, to arrange for the withdrawal of £200,000 worth of silver coins per annum. No reply has been received, but the Treasurer during his recent visit to England learned that the Imperial Government is unwilling to agree to the withdrawal of more than £100,000 per annum. He found that the question of silver coinage was one of great interest to several parts of the Empire, and that it was considered advisable that it should be included in the subjects to be submitted to the Imperial Conference which is to meet in London next year.

It is hoped that as a result of the Conference the profit on silver coinage will be secured to the Commonwealth on fair terms.

It is not clear that as implied in the question any large revenue is being finally lost. The net import into Australia of silver coins increases the profit which will accrue to the Commonwealth on the substitution of an Australian for the present currency, if the Imperial Government will agree to withdraw the latter at its nominal value.

POSTAL DESPATCHING OFFICERS.

Mr. BROWN (for Mr. WEBSTER) asked the Postmaster-General, *upon notice*—

1. Is he aware that the work of despatching officers is being performed by junior sorters in Sydney?

2. Is he aware that qualified despatching officers are engaged on much less responsible work?

3. Is it a fact that such work is done by the despatching officers in all States other than New South Wales?

4. Will he see that these officers are installed in the positions to which their grade entitles them?

Mr. AUSTIN CHAPMAN.—The following information has been furnished by the Acting Deputy Postmaster-General, Sydney, in connexion with questions 1 and 2 :—

1. Yes, despatching work is being performed by sorters pending a settlement of the question as to whether despatching officers in mail vans will be transferred to the General Post Office, or forego their title, and remain in their present positions, as some of them desire. Action is now

in hand which should shortly result in an early settlement of the case.

2. Pending a settlement of the matter referred to in No. 1, despatching officers are engaged at other mail work which is not, however, considered less responsible.

The replies to questions 3 and 4 are as follow :—

3. The practice in the other States is being investigated.

4. See answer to No. 1.

MILITARY EXAMINATIONS.

Mr. CROUCH asked the Minister representing the Minister of Defence, *upon notice*—

1. Is there any difference between the English examination for tactical fitness to command and the examination now established in the Commonwealth for promotion to the position of Lieut.-Colonel?

2. How long has the examination for Lieut.-Colonel been established in England, and is this examination superior to or more difficult than that in Australia?

3. Was it necessary for the Inspector-General in England to pass the examination for tactical fitness to command?

Mr. DEAKIN.—The answers to the honorable and learned member's questions are as follow :—

1. In the Imperial Army there are two alternative syllabi under which officers may be examined for technical fitness for command—i.e., for promotion to rank of Lieut.-Colonel—namely :—

(1) in which actual troops are employed.

(2) By means of a staff ride or tour.

The examination for technical fitness for command (i.e., for promotion to Lieut.-Colonel) in the Commonwealth does not provide for an alternative syllabus—the syllabus prescribed being practically a reprint of that prescribed in (1) above referred to for the Imperial Army.

Notification has recently been received that a revised syllabus has been adopted for the Imperial Army, which omits one of the subjects of the examination previously in force, but which is still retained in the Commonwealth syllabus.

2. So far as can be ascertained, the examination for Lieut.-Colonel was established in England in 1899; the syllabus prescribed is not superior to or more difficult than that prescribed for Australian officers.

3. The present Inspector-General of the Imperial Forces was promoted to the rank of Lieut.-Colonel prior to the coming into force of this examination, and consequently was not required to pass the examination for technical fitness for command, i.e., for promotion to rank of Lieut.-Colonel.

DUTY ON HARVESTERS.

Mr. WILKS (for Mr. BRUCE SMITH) asked the Minister of Trade and Customs, *upon notice*—

1. Whether he is aware that he (on 9th August, 1905) made the following statement to the House :—

"I believe in fair play, and whilst I am not sure that the right of appeal prevails, I may

say at once that if the Massey-Harris Company have any reliable facts or data to bring before me I should like to have them submitted for my consideration. If they then commenced proceedings against the Government, I should be very much disposed not to place any impediment in their way, but to give them every facility. I cannot say anything fairer than that. My only desire is that there shall be a true valuation for the purposes of the Customs, and to see that fair play is meted out to all."

2. Does he consider that the recent attempts by the Commonwealth authorities to hinder the importers from obtaining information on the question of value for the guidance of the Courts is in harmony with the above promise?

Sir WILLIAM LYNE.—The answers to the honorable and learned member's questions are as follow:—

1. Yes.

2. Yes. The action taken recently was with a view to prevent large expenditure being incurred in taking evidence in Canada, which would be rendered useless if the Court subsequently decided on the point of law that the Minister's valuation under section 160 of the Customs Act is not subject to review.

As the case is now before the Court, the direction thereof is necessarily in the hands of the professional advisers of the Department.

I may add that if honorable members will read what I said they will find that I stated that I should be very much disposed not to place any impediment in the way of the company. They, however, did not treat me in the way that they should have done from the beginning, and when a company antagonistic to the interests of Australia fights me I shall fight them.

Mr. REID.—Surely they must stand up for their own rights.

Sir WILLIAM LYNE.—They did not give me a chance.

Mr. JOHNSON.—The Minister has done nothing but persecute them.

IRON INDUSTRY.

Mr. RONALD asked the Minister of Trade and Customs, *upon notice*—

Whether he will present to the House the Tariff Commission's report on the Iron Industry immediately or at an early date?

Sir WILLIAM LYNE.—The Government is not in possession of any reports of the Tariff Commission beyond those already laid on the table of the House. I hope that we shall soon have some more.

PREFERENTIAL RAILWAY FREIGHTS.

Mr. HIGGINS asked the Minister of Trade and Customs, *upon notice*—

1. Has he information pointing to any unfair preferences or discriminations existing in railway

freights since the Railway Commissioners came to an arrangement?

2. If so, can he state the instances?

3. Is it his intention to re-introduce his proposal to appoint an Inter-State Commission?

Sir WILLIAM LYNE.—I have seen statements in the press, but the matter has not been officially brought under my notice. I may point out that I have not the information I should have.

Mr. GLYNN.—I could give the Minister the information.

Sir WILLIAM LYNE.—I have on two occasions introduced a Bill for the appointment of an Inter-State Commission, and have been prevented from proceeding with it. I am not going to expose myself to a third defeat. If I find that honorable members are prepared to pass a measure of the kind I shall introduce it.

Mr. GLYNN.—The necessary information is available.

Mr. GROOM.—It is being obtained now.

PREFERENTIAL BALLOT BILL.

Motion (by Mr. GROOM) proposed—

That leave be given to bring in a Bill for an Act to amend the law relating to Parliamentary elections.

Mr. REID (East Sydney) [2.50]. — I should like to know whether this Bill includes some new proposal as to the exercise of the franchise?

Mr. GROOM.—Yes.

Mr. REID.—Then, as a matter of justifiable comment, apart from any party motives whatever and entirely with a view to the despatch of as much practicable business as possible during the few weeks that remain to us, I wish to say that if such a controversial matter be included in the Bill the few remaining weeks of this Parliament will be frittered away in a prolonged discussion upon one of the most important and intricate questions that could be considered by any Legislature. Unless the Government know beforehand, and I do not suppose they do, that the Bill is sure to be passed, we may spend a large amount of public time in discussing it, with the subsequent mortification of knowing that no practicable result could have followed. It is not as if this matter had not already been considered, because I find that the same project was submitted to the House by the Barton Government, of which several of the present Ministers were members. It was submitted to this House in 1901-1902—eighteen months before the general election, when

some time would have been afforded for making the people acquainted with it. The history of the proposal is contained in *Hansard* of the 23rd of July, 1902. When it came before the Committee, the honorable member for Bland is reported, at page 14,612, to have said—this was eighteen months, and not two months, before an election—

I should like to know what attitude the Government intend to assume with regard to this clause. I believe there is a very strong feeling against the contingent vote, and I, for one, am opposed to the introduction of any of these fancy systems of voting. As it is probable that at the next Federal election the two Houses will go to the country at the same time, the introduction of the contingent voting system would lead to a great deal of confusion.

At the next election the two Houses will go to the country at the same time, and, therefore, it is proposed that there shall be two methods of voting adopted in electing the members of the respective Houses. The honorable member for Bland continued—

I do not know that the object aimed at is of sufficient importance to justify us in unsettling the minds of the electors, and thus, perhaps, disfranchising a very large proportion of them. In certain cases the contingent vote might not attain the object aimed at.

If that was so, when eighteen months were available within which to prepare the minds of electors, how much more strongly would the remarks apply now that a new and complicated method of voting is submitted within two months of an election?

Mr. McDONALD. — In Queensland the electors were advised not to adopt the preferential voting system.

Mr. REID. — I understand that the Labour Party in Queensland never would use the preferential system of voting.

Mr. McDONALD. — It is optional there.

Mr. REID. — It is made optional in Queensland, and the electors have exercised the option by not expressing their preference. I submit that a system of election, which a large and important party never takes advantage of, cannot be a good and a proper one.

Mr. McDONALD. — The other side, also, says that it is not a good system.

Mr. REID. — Then the system is doubly condemned if both sides take the same view and refrain from availing themselves of it. The honorable member for Bland went on to say—

On rare occasions, in New South Wales, a candidate has been returned by the votes of a minority; but this has happened to every party

in the State, and it is not at all certain that the results would have been altered by the operation of the contingent vote.

In reply to a suggestion that it might be made mandatory, the honorable member said, "Yes, but that might result in still greater confusion." The present Minister of Trade and Customs was in charge of the Bill upon that occasion.

Sir WILLIAM LYNE. — Cannot the right honorable gentleman leave me alone?

Mr. REID. — No; because it is necessary that I should mention what was stated by the Minister in charge of the Bill, in reply to the statements of the honorable member for Bland. In regard to a proposal exactly similar to that which is now being suddenly introduced, the Minister made a certain statement. Honorable members know that last session the present Government introduced a Bill to amend the Electoral Act. If they had had the remotest idea of applying a new system of voting, such as that now proposed, to the next election, surely it was their duty to make provision for it in that measure, in order that honorable members and the electors might have the fullest opportunity to accustom themselves to the new idea. The matter must have been considered, because in their first measure they had a series of elaborate provisions relating to the contingent vote. This must be a mere political manoeuvre. I do not think that it has been conceived by Ministers, because they are merely instruments in the hands of the *Age*. Ministers are simply moved as that organ dictates. They are under the direction of two organs, one inside and one outside of the House, and their lot cannot be a very happy one. The *Age* made a rabid statement as to the necessity for an exhaustive ballot. It represented that the House was frantically eager to pass an amending Bill, and that all sides would welcome such a measure. Then a cold current passed through the political atmosphere, and that measure was dropped. A demand for the contingent vote is the next one that comes from that influential quarter. I desire to read what was stated by the Minister of Trade and Customs, who was then in charge of the former Bill, in reply to the remarks of the honorable member for Bland. He said—

In theory the contingent vote appears sound, but the method proposed here is not quite the same as that adopted in Queensland. In that State, after the first vote the names of all but the first and second candidates are struck out,

and the votes are divided between the two remaining. That is in the case of single electorates.

Then he went on to explain the proposal, which was probably the same as that contained in the Bill about to be introduced. He said—

The proposal in the Bill is that if there are four or five candidates, only the last one shall be struck out in the first instance, the votes belonging to the rejected candidate being distributed amongst the others. Then the lowest on the next count is struck out, and so on until only one remains. The system is somewhat complicated, and I took the trouble a day or two ago to work it out with rather astonishing results.

He stated further—

I found that it was possible for the candidate who obtained the largest proportion of No. 3 votes to secure an advantage over his opponent who received the largest proportion of No. 1 votes.

Mr. WATSON.—Was not that the Nanson system?

Mr. REID.—No, it was a system under which the voters were to be enabled to express their order of preference.

Mr. WATSON.—That was a system of proportional voting in connexion with the Senate elections.

Mr. McCAY.—The principle was exactly the same.

Mr. WATSON.—But the method of carrying it out was very different.

Mr. REID.—The object was to enable the electors to indicate the order of their preference. There was no suggestion of what is called proportionate representation, as apart from the indication of the wishes of the electors on their ballot-papers.

Mr. PAGE.—I think this is a Bill to complicate elections.

Mr. REID.—Or perhaps to kill time, to avoid some thorny subjects that may otherwise have to be dealt with.

Mr. HIGGINS.—What subjects?

Mr. REID.—I think that there are some with which the honorable and learned member is acquainted. The Minister said—

I found that it was possible for the candidate who obtained the largest proportion of No. 3 votes to secure an advantage over his opponent who received the largest proportion of No. 1 votes, and consequently my faith was very much shaken in the scheme contained in this Bill. I think that I accurately gauge the feeling of the Committee when I say that we ought not to persist in the proposal for the adoption of the contingent vote.

And the Government withdrew that proposal. The Ministry, of which the present Prime Minister, the Treasurer, and

the Minister of Trade and Customs were members, withdrew the proposal, although there was then time to secure a fair and exhaustive discussion of the principle which it involved. But now there is a sudden and mysterious intrusion of this question. Can there be the slightest doubt that it has been introduced because the Government believe that it will serve their personal political interests? Do people think that this comet is thrown across the political horizon either to assist the Opposition or to help the Labour Party? Complications are arising in various places, and I say that to bring forward such a vital proposal at the close of the session, and within a few weeks of the closing of the Parliament—a proposal which the thousands and tens of thousands of electors are supposed to master before the approaching election—is a most sinister act. The origin of the proposal itself is sufficient to condemn it. It has emanated from the office of the *Melbourne Age*. The exhaustive ballot system was first projected, but that fell still-born, and now this proposal is put forward. I do not feel disposed to discuss the merits of the question, because I have always recognised some good points in the contingent vote.

Mr. MALONEY.—Then what is the right honorable member's trouble?

Mr. REID.—If the honorable member will listen, he will understand. The argument which was put forward by the honorable member for Bland with reference to the confusion which would inevitably result from the adoption of a new system of voting within eighteen months of an election, becomes irresistible when applied to a proposal which is sprung upon the House and the people of Australia within a few weeks of an election. Has the Minister of Home Affairs acted upon the advice of his officers, who have been assuring us that the 21st November is the earliest date upon which the general elections can be held? Have his officials been consulted as to whether the adoption of these proposals would not have the effect of delaying the elections? At this stage, perhaps, it is premature for me to seek much information, but I wish to point out that these proposals are sprung upon the electors too late. So far as I can understand, they do not apply to the elections for the Senate. But whether they do or not, the objection to be urged against them is precisely the same. If they do not

apply to the Senate we shall be introducing two different systems of voting. The electors at the last election—that of 1903—became accustomed to placing a cross in a square opposite the name of the particular candidate whom they favoured. If this House adopted the Government proposals within a few weeks of the next election it would place itself in this unfortunate position: that the representatives of the people, whose duty it is to properly adjust our electoral system long before the elections take place, would expose themselves to a charge of having kept these proposals absolutely in the dark instead of dealing with them when the Electoral Bill was under consideration last session. I repeat that they have been deliberately kept in the dark in order that they might be sprung upon the House under the pressure of certain political exigencies, which are only too manifest. I protest against the remaining time of the session being taken up in their discussion. It is unreasonable to expect the electors to understand them in the short space of time that will elapse before the elections take place, and unless the Government have already got the numbers, and know that they will be able to force the Bill through, it would be folly to proceed with it. It would be a matter for extreme regret if we found that, in considering the Bill, we had sacrificed valuable time, without securing any practical result.

Mr. GROOM (Darling Downs—Minister of Home Affairs) [3.5].—All I have to say in reply to the remarks of the right honorable member for East Sydney is, that the Bill has not been sprung upon the House under pressure of any political exigency. It has been under consideration for a considerable time, and it has not been introduced as the result of any outside influence, but in the belief that it will be speedily dealt with by a Parliament which is desirous of despatching the necessary business of the session.

Question resolved in the affirmative.

Bill presented, and read a first time.

TARIFF.

EXCISE DUTIES UPON SPIRITS.

Resolution reported.

Motion (by Mr. DEAKIN) agreed to—

That the resolution be recommitted.

In Committee of Ways and Means:

That in lieu of the duties of Excise imposed by the Excise Tariff, 1902, on spirits, duties of

Excise shall, from the 2nd day of August, 1906, at 4.30 p.m. Victorian time, be imposed upon spirits as follows:—

Excise Duties.

Dutiable Goods.	Duties.
SPIRITS, viz.:—	

8. Spirits, n.e.i., matured by storage in wood for a period of not less than two years, per proof gallon, 14s., and on and after 17th August, 1906	... 13s.
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10. Spirits, n.e.i., per proof gallon	... 40s.
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Mr. DEAKIN (Ballarat—Minister of External Affairs) [3.8].—The object of going into Committee of Ways and Means is to avoid the insertion in the Bill of the two dates that are named in the resolution as those from which the duties upon spirits shall commence to operate. The resolution was brought down upon the 14th inst., but we dealt with it upon the 15th and 16th inst., and, in view of the fact that the few transactions which took place in the interval involved no complications we think it is only a reasonable concession to date all the duties from the 17th inst., so that whatever changes have been made will all operate as from that date. I therefore move—

That the date named in the resolution be the 17th August, 1906.

Amendment agreed to.

Amendment (by Sir WILLIAM LYNE) proposed—

That in paragraph 8 the following words be left out, "matured by storage in wood for a period of not less than two years."

Mr. HIGGINS (Northern Melbourne) [3.13].—I should like to know the object of the amendment?

Mr. DEAKIN.—Provision for requiring the spirits in question to be matured in wood for a period of not less than two years will be made in the Bill which will be introduced to cover these resolutions.

Mr. HIGGINS.—I have learned that there are certain classes of spirits which cannot be matured in wood. For instance, spirit—which the Prime Minister will recognise as gin—is made in Holland from juniper. Square gin is one of those spirits which cannot be kept in wood for two years. The amendment I understand is not designed to absolutely exclude such spirits?

Mr. DEAKIN.—I think it is desirable to deal with them, but the honorable and learned member will have an opportunity of discussing that matter when the Bill is introduced.

Amendment agreed to.

Amendment (by Sir WILLIAM LYNE) proposed—

That paragraph 10 be left out.

Mr. REID (East Sydney) [3.14].—In reference to these amendments, I merely desire to say that in agreeing to them, I am accepting the assurance of Ministers that we are doing nothing in opposition to our previous decisions, but merely putting things in order.

Mr. DEAKIN.—That is so.

Amendment agreed to.

Sir WILLIAM LYNE (Hume—Minister of Trade and Customs) [3.15].—I do not know whether the last paragraph in the resolutions was accepted by mistake or not. I refer to spirit for fortifying Australian wine, which is subject to a duty of 6d. per gallon. Previously, the Excise duty was 1s. per gallon, and my proposal was that this spirit should be made free, subject to regulations, on the understanding that the charge for supervision should not exceed 6d. per gallon. I understand that the cost of supervision would amount to about £2,000, and if this provision were struck out, I should have power under the Excise Act to frame a regulation providing that spirit for fortifying Australian wines should be free, and that the actual cost of supervision, which would not amount to more than 4d. per gallon, should be paid by the vignerons.

Mr. WATSON.—A duty of 6d. per gallon will not seriously affect them.

Sir WILLIAM LYNE.—I wish the Committee to clearly understand the effect of the decision which was arrived at last week. Under it the vignerons are to pay a duty of 6d. per gallon for this spirit.

Mr. STORRER.—And they are willing to pay it.

Sir WILLIAM LYNE.—I do not know about that, but I do know that there is no wine made in Tasmania.

Mr. STORRER.—I am speaking, not from the point of view of Tasmania, but in the light of the statements that were made last week, during the debate which took place in the absence of the Minister.

Sir WILLIAM LYNE.—It is not my desire that the vignerons should be charged more than is absolutely necessary, and, in my opinion, it is unnecessary to impose a duty of 6d. per gallon. A proportion of that duty will go into the consolidated revenue. My desire—and the Prime Min-

ister sought last week to give effect to it—was that the spirit should be free, subject to regulations, and that the charge for supervision should not exceed 6d. per gallon. It may be said by the leader of the Opposition that there would be some difficulty in collecting the Excise, and I repeat that if this item were struck out altogether, and my proposal were adopted, the cost of carrying out the regulation would amount to about £2,000 per annum. I do not intend to move an amendment, but I wish to place the facts before the Committee. Honorable members must not forget that under this schedule a duty of 6d. per gallon is imposed.

Mr. McCAY.—Instead of a charge amounting to 4d. per gallon, as suggested by the Minister.

Sir WILLIAM LYNE.—The cost would not exceed 4d. per gallon, but I am advised that, as a rule, it would be less than that.

Mr. HIGGINS.—The recommendation of the Commission was that a duty of 6d. per gallon should be imposed.

Sir WILLIAM LYNE.—That is so; but I think it is unwise to take from the producers more than is absolutely necessary.

Mr. WATSON.—What would be the percentage of this duty to the total cost of production?

Sir WILLIAM LYNE.—The Comptroller-General informs me that the total loss to Australia involved in the cost of supervision would be £2,000 per annum.

Mr. McCAY.—Then a duty of 6d. per gallon will represent a cost of £3,000 in respect of the whole of Australia?

Sir WILLIAM LYNE.—The duty of 1s. per gallon yielded a revenue of something like £12,000, so that if the total cost of supervision amounted to £3,000 per annum, a duty of 3d. instead of 6d. per gallon would be sufficient. If in the light of the facts I have placed before them, honorable members still think it undesirable to depart from the decision arrived at last week, I cannot be blamed for the imposition of a charge or duty which is twice as much as I think ought to be imposed.

Mr. GLYNN (Angas) [3.21].—I think that the Minister has made a mistake with regard to the revenue collected in respect of the duty of 1s. per gallon. On referring to page 9 of the third progress re-

port issued by the Tariff Commission, I find that the duty has been very irregular in its results. The revenue derived from it in 1905-6 was £4,199, whilst in 1904-5 it amounted to £12,686. Another objection to the duty is that it bears unequally on the States. For instance, in 1905-6, South Australia contributed £1,662 out of the total of £4,199 collected in respect of the whole Commonwealth, whilst in 1904-5 she contributed £5,465 out of a total of £12,686. In other words, that State has always contributed nearly half the total revenue so derived. The duty was in force in South Australia prior to Federation, whilst in some of the other States it was not.

Mr. DEAKIN.—No duty was imposed by New South Wales.

Mr. GLYNN.—As it was imposed to make good the cost of inspection, we ought to regard it as an inspection duty. The Government, I understand, propose that, instead of there being an absolute duty of 6d. per gallon, there should be a charge to cover the cost of inspection, which in no case should exceed 6d. per gallon.

Sir WILLIAM LYNE. — That is exactly what I desire.

Mr. GLYNN.—I support the Minister's proposal. Had the honorable gentleman elaborated the argument, which he based on the figures presented by his Department, he might have shown that the duty is not imposed for revenue purposes, and is open to the objection that it is comparatively small, while it is at the same time unequal in its incidence on all the States. The proposal, therefore, to substitute a maximum charge of 6d. per gallon to cover the cost of inspection is a fair one. The duty of 1s. per gallon was particularly heavy in relation to the cost of production and largely interfered with the competition of Australian wines with those of the outside world. That remark will apply, to some extent, to the duty of 6d. per gallon now imposed. If the Minister proposes to reconsider the item in the light of these additional facts, I shall be prepared to support him.

Mr. REID (East Sydney) [3.25].—I would suggest that when the Bill is before us we shall have a fair opportunity to reconsider any question arising out of this matter.

Mr. DEAKIN.—We shall then be unable to amend the schedule, unless we go into this Committee again.

Mr. REID.—I seriously object to a "thin" Committee amending a decision arrived at by a fairly large one. There are obvious objections to the adoption of such a course, but if there is any other way of reconsidering the matter I am sure that if the Government think it worth while doing so, it will be our wish to facilitate their efforts.

Question, as amended, resolved in the affirmative.

Resolution, as amended, reported and adopted.

EXCISE TARIFF BILL.

Ordered—

That Sir William Lyne and Mr. Deakin do prepare and bring in a Bill to carry out the foregoing resolution.

Bill presented by Sir WILLIAM LYNE, and read a first time.

SPIRITS BILL.

Motion (by Sir WILLIAM LYNE) agreed to—

That leave be given to bring in a Bill for an Act relating to spirits.

Bill presented, and read a first time.

BUDGET.

In Committee of Supply:

Debate resumed from 17th August (*vide* page 3050), on motion by Sir JOHN FORREST—

That the item—"President, £1,100," be agreed to.

Mr. BROWN (Canobolas) [3.32].—There is one subject which has been touched on during the debate upon which I particularly desire to express my opinions, and that is the need for increasing our population. The position of the Commonwealth in regard to population is not as healthy as the well-wishers of Australia desire, because for some time past there has not been a material excess of immigrants over emigrants. In view of the latent possibilities of wealth and production that we possess, the fact that immigrants are not being attracted to our shores is one that invites consideration. I do not think it will be contended that even the older settled States have reached the limits of their possibilities in regard to the support of population. Even in Victoria, where there has been a decrease, there are enormous possibilities for the support of a much larger population than the State now possesses.

The only conclusion to be drawn from the present state of affairs is that the conditions offered to workers here are not inviting, and before we can hope to attract immigrants, we must take means to induce those who are here to remain; because our population is not likely to increase so long as there is a continuous drain of emigrants. To provide a remedy for the present state of affairs, the co-operation of the States must be secured, and I am pleased to know that special attention is being given to the subject by the States authorities. The need for a larger population is recognised, and the Treasurer has promised to second the efforts of the States in attracting people to our shores. There are now about 4,000,000 souls in the Commonwealth, while our national debt is something like £236,000,000, the annual interest upon it amounting to between £8,000,000 and £9,000,000. In order to lessen the burden of this indebtedness, we should endeavour to bring about the presence here of a larger number of persons to share it, while a larger population is necessary also for the progress and development of the country, and the production of wealth. There are two or three methods by which we might increase our population. We might, in the first place, draw upon the coloured peoples of the islands of the Pacific, as has been done in the past. Chinese were first introduced into Australia to provide cheap labour, whereby production might be increased, and the presence of the kanakas on the sugar fields of Queensland is to be accounted for in the same way. But, whilst there are a number who would like to see Australia developed by these means, the verdict of the Commonwealth is against it, the electors as a whole having emphatically voted for a white Australia. Our population might be increased, in the second place, by the introduction of pauper labour from Europe. Pauperism, however, has always a tendency to debase and demoralise, and the experience of America is not likely to make us ready to follow her example by the introduction of paupers. I do not condemn those who are poor, and, no doubt, even in the ranks of the very poor are to be found men and women who, given reasonable opportunities, could be converted into good citizens. But those who come to our shores must have energy and grit, and should possess some little means, if they are to make a favorable

Mr. Brown.

start. The honorable member for Darling, when speaking in this debate, quoted a telegram from New Zealand which seems to indicate that that country is having some experience in connexion with the introduction of paupers. Recognising the need for increasing her population, she has encouraged immigration, but, according to the information put before us by him, immigrants have recently arrived there who had to be provided, on arrival, with clothes and blankets and the means of subsistence. I do not think that the people of the Commonwealth wish to draw largely from the pauper populations of the old world, and, particularly, not from the pauper populations of Europe. We should prefer people of the race from which we have sprung—good, vigorous, healthy stock, who will be able to help to bear the burdens of nation building. We are, however, prepared to welcome all desirable immigrants, whether from Great Britain or from other European countries. The present position of stagnation in regard to our population must excite keen consideration. In the view of some honorable members, much of the legislation of New Zealand of recent years has been objectionable because of its socialistic or humanitarian character, but, despite that fact, the population of the colony during the last five years has, according to the statisticians, increased by 43,000, while the population of the Commonwealth has within the same period increased by only 3,000. I know that a good deal of the New Zealand increase is to be accounted for by emigration from Australia, young men, natives of the State from which I come, and of other States, who have been discouraged and become tired in their efforts to secure employment in Australia which would give them an opportunity to make a decent living here, having gone to New Zealand to better themselves. Generally, they have bettered themselves by doing so, and the encouraging reports which they have sent to their friends have induced others to follow their example. I find by reference to *Coghlan* that during the decade from 1882 to 1891, when employment and wealth production were not so restricted as at present, we added to our population by excess of immigration over emigration 374,094. In the following decade our gain by the excess of immigration over emigration was only

2,377. This was a very remarkable falling off. In regard to this *Coghlan* says—

If the result of the last twelve years be compared, it will be seen that there was an exodus both from Victoria and South Australia, the former losing 145,227, and the latter 23,222 by excess of emigration, while Tasmania also lost 6,119 from the same source.

Whilst people move about from one State to another, because they conceive that they can better their position, no great concern need be felt. The inducements offered to persons born in a State to leave it must be very considerable. They must not only have a hope, but a reasonable assumption, that they will be able to improve their position, and we need not begrudge Western Australia an increase of population at the expense of the other States. But when population is lost to the Commonwealth as a whole—when our people are leaving us to settle in New Zealand, South America, South Africa, or the United States—the matter becomes very serious. I gather that in the case of New South Wales, 500 or 600 more persons have gone to Great Britain than have arrived from the old country.

MR. LONSDALE.—They are merely travellers.

MR. BROWN.—That may be so, but the honorable member must admit that the balance ought to be the other way. We should be drawing people from the old country, and the addition to our population should more than compensate us for any loss brought about by the departure of travellers from our shores. These figures emphasize my point that we are not attracting population from Great Britain and elsewhere to the extent that we should be doing.

MR. CAMERON.—That is attributable to our legislation.

MR. BROWN.—I join issue with the honorable member. Our legislation has not advanced upon socialistic lines to the same extent as that of New Zealand, and yet New Zealand has gained 43,000 by excess of immigration over emigration, whilst we have added to our population only a miserable 3,000.

MR. LONSDALE.—Was that difference due to the legislation passed in New Zealand?

MR. BROWN.—The legislation passed in New Zealand has not prevented an influx of population. Those who are best

qualified to express an opinion state that the socialistic legislation of New Zealand has tended to encourage immigration, and that otherwise New Zealand would have been in the same state of stagnation as is the Commonwealth. That brings me to another point. Why do our young men who are born and bred in Australia, after having made every effort to better themselves here, leave for New Zealand and other parts of the world? I contend that the cause is to be found in the fact that the natural opportunities that should be presented to them are being denied. When plenty of land was available, and our mineral resources could be exploited without undue restriction, immigrants were attracted here. Now, however, that most of our lands have passed into the hands of a few persons, and our mineral resources are also under the control of monopolists, it is impossible for the bulk of our population to find here a suitable outlet for their energy. The restrictions by which they are hedged about impel them to go elsewhere to try their fortunes. I had the privilege of listening to the last semi-public address delivered by the late Mr. Richard Seddon. He then dealt with this very subject, and showed to what extent New Zealand had been able to solve the problem. He did not claim that that colony had been completely successful, but he contended that she had done much more than the Commonwealth, and that the line of progress lay in the direction of making available to the masses the great natural opportunities presented by the country. He said in effect, "Land is life. Those who own the land have a monopoly of the life-blood of the people." No truer words were ever uttered. Those who hold the land determine the conditions under which the people have to live, and it is owing to the extent to which the best and most easily accessible lands in all the States have been monopolized that our population does not increase. This matter has been dealt with by Mr. Rider Haggard, who, although most generally known as a writer of fiction, has given considerable attention to the question of land settlement, and has been considered worthy to be appointed by the British Government to report upon it, not only in the British Empire, but in the United States, on the Continent, and elsewhere. He says that some people have an idea that land is

simply a luxury—something which a rich man only should own, and which should be devoted to pleasure grounds and game preserves. He points out, however, that the land is meant to grow food, and that, more than that, it is intended to grow men and women. My contention is that our stagnation in the matter of population is due to the monopoly of the best lands of the Commonwealth. I have compiled a table showing how the lands of New South Wales are held. I have taken my data from the latest statistics in the *Year-Book of New South Wales, 1904-5*, edited by Mr. Hall, the Government Statistician. In New South Wales there are 60,427 holdings of 400 acres and under, which embrace a total area of 5,500,000 acres. Of this area about 824,000 acres, or about 14 per cent., is cultivated. Of holdings

of upwards of 400 acres, and less than 1,000 acres, there are 9,000 holdings, embracing 5,750,000 acres, of which 658,000 acres are under cultivation. There are 722 holdings which embrace 23,000,000 acres, of which only 300,000, or 1.31 per cent. of the total area, are under cultivation.

Mr. CAMERON.—How much of that land is fit for cultivation?

Mr. BROWN.—A very considerable area. Only 1,500,000 acres are devoted to wheat cultivation in New South Wales, whereas *Coghlan* tells us that there are at least 20,000,000 acres of land in New South Wales suitable for the growth of that product. Therefore, a large proportion of the best land in the State is still being devoted to pastoral purposes. The table from which I have quoted is as follows:—

TABLE SHOWING DISTRIBUTION OF THE ALIENATED RURAL LAND IN NEW SOUTH WALES, 1904-5.

Size of Holding.	Number of Holdings.	Total Area Alienated.	Proportion to Area of State.	Area Cultivated.	
				Total Area.	Proportion to Area Alienated.
		Acres.	Percentage.	Acres.	Percentage.
1 to 400 acres ...	60,427	5,537,930	2.82	824,837	40.80
401 to 1,000 acres...	9,011	5,718,931	2.92	658,776	11.52
1,001 to 10,000 ...	5,512	13,994,182	7.14	718,084	5.13
10,001 and upwards ...	722	22,830,261	11.66	300,159	1.31
Totals ...	75,672	48,081,314	24.54	2,501,856	5.20

Holdings under 1,000 acres total 69,437, having an area of 11,256,861, representing 5.74 per cent. of area of State; the cultivated area being 1,483,613 acres, equal to 52.32 per cent. of the area alienated.

Holdings of over 1,000 acres total 6,234, having an area of 36,824,443, representing 18.80 per cent. of area of State; the cultivated area being 1,018,243 acres, equal to 6.44 per cent. of the area alienated.

One remarkable feature of that table is that 722 holdings embrace about one-half of the total area which has been alienated. A point which is made in this connexion is that whilst the number of this particular class of holdings is decreasing, their area is increasing, thus proving that the monopoly of the land by the few is steadily growing. As evidencing how this state of affairs has been brought about, I would direct attention to the fact that whereas during the twenty-three years from 1882 to 1905 the land selected aggregated 18,481,880 acres, the land in which complete transfers were effected embraced 44,352,613 acres. In other words, during that period, there were 25,870,000 acres more transferred than were required for

the purpose of new holdings and increased settlement. This evil, I maintain, is still increasing, despite the more drastic measures relating to land legislation, which have since been enacted. In this connexion, I am free to admit that the right honorable member for East Sydney, when he was Premier of New South Wales, in 1895, was instrumental in placing upon the statute-book an Act which put a stop to a considerable amount of trafficking in land in the form of dummyming, &c. He instituted a system under which a longer occupancy was required before a transfer could be effected, and he also introduced a permanent form of settlement known as "homestead selections," under which a transfer could be made only to a residential

holder. But despite this legislation, I find, from Mr. Hall's *Official Year-Book of New South Wales*, that between 1900 and 1904—a period of five years—the area selected was only 2,246,712 acres, whereas the area transferred was 8,654,736 acres. There was thus a surplus of transferred land as against land acquired for new settlement, of 6,410,024 acres. The number of holdings transferred during that period was 60,069, and the number of new holdings created was 11,905, so that land settlement as represented by separate holdings, showed a decrease of 48,164. In order that honorable members may be satisfied that the statements which I have presented are in accordance with facts, I will read the following quotation from Mr. Hall's latest statistics—

A comparison of the areas dealt with in the following table shows how fast the original conditional purchasers of Crown lands are dispossessing themselves of their holdings, whilst the area selected does not exhibit a tendency to increase at anything like the same rate. An examination of the table reveals the fact that since 1882 there have been 44,352,613 acres of conditional purchases transferred, as against 18,431,880 acres applied for—a difference of 25,870,733 acres, which have, to a very large extent gone to increase the large estates, distinctly to the detriment of healthy settlement.

That quotation may be found upon page 82 of *The Official Year-Book of New South Wales* for 1904-5. To-day, instead of there being something like 200,000 settlers in New South Wales, assisting to develop her natural resources, there are only some 75,000. The total holdings of that State—rural, urban, and others—are less than 200,000. In his statistics, *Coghlan* says that the land-holders number approximately, 178,000. What is responsible for this conditions of affairs? First of all, settlement had to take place upon territory in which vested interests had been established. The country was held under pastoral leases, and, upon their expiry, these leases were made available for indiscriminate settlement. Further, they were made available under harsh terms. For instance, a specific amount had to be paid by the settler, who was also required to pay survey fees, and to comply with improvement conditions, which considerably increased his outlay. He was then called upon to pay what was equivalent to 9d. or 1s. per acre per annum as rent for his holding. But it was soon discovered that increased population meant increased land values, and it is the increased

value which is imparted to lands by the presence of population that writers of political economy designate the “unearned increment.” It was quickly recognised that if large holdings could be secured they would represent a good investment. Thus the squatter fought the selector in the hope that he would be able to acquire the whole of the territory available, and to blossom forth into the position which is occupied by the landlord in the old country. He had many advantages, including a sympathetic Parliament and administration. But, despite these advantages, the fight was too severe for him. Thus it came to pass that the banks invested indirectly in the unearned increments in the various States, but finally the burden became too heavy for them to bear, and the result was the financial crisis that we experienced fifteen years ago. That led to the transfer of these interests to the large investors in the old world. So that to-day the unearned increment in the different States is largely in the hands of persons outside of Australia. That, I contend, is a most unhealthy state of affairs. It is bad enough to have to contend with the curse of landlordism when we are dealing with an individual who is part and parcel of our population, but the position is much worse when we are called upon to deal with a landlord who, as the saying is, “has no body to be kicked and no soul to be damned.” The real development of Australia has been retarded by an inordinate desire to invest in the unearned increment. Millions sterling has been invested in the purchase of land titles instead of in the development of that land, with a view to making it productive.

Sir JOHN FORREST.—From the honorable member's remarks, one would think that the producers on the land were producing nothing, instead of producing commodities worth £120,000,000 annually.

Mr. BROWN.—I hope that my remarks will not bear that interpretation. We are producing largely, but that production is in the hands of the few who own our lands. My contention is that the distribution of wealth in a country is largely determined by the distribution of its land. Under this heading, I would invite the attention of the Treasurer to some figures which I have extracted from the *Official Year-Book of New South Wales* for 1904-5. I find that in that State there are 749,000 holders of

something like £375,000,000 worth of property. The distribution of that wealth can be ascertained by reference to the following table:—

TABLE SHOWING DISTRIBUTION OF WEALTH IN NEW SOUTH WALES, 1904-5.

Category.	Number of Persons with Property.	Proportion of total Adults in each category per 10,000.	Total Value of Property.	Percentage of Property belonging to Persons in each category.
	No.	No.	£	per cent.
£50,000 and over	1,004	13	130,912,700	34·84
£25,000 to £50,000	1,130	15	38,981,800	10·37
£5,000 to £25,000	8,719	116	89,779,900	23·90
£200 to £5,000	123,695	1,651	110,603,000	29·43
Under £200	61,286	818	5,474,600	1·46
Without Property	553,466	7,387	...	...
Totals	749,300	10,000	375,752,000	100·00

Mr. Hall states upon page 543—

Hence it would appear that 1,004 persons, or 0·13 per cent. (one-eighth of one), own property £130,912,700, or 34·84 per cent. of the whole private wealth of the State, and 2,134 persons hold £169,984,500, or 45·21 per cent. of the total. Probably half the entire property of the State is in the hands of not more than 3,000 persons.

According to the foregoing table, 1,004 persons, or thirteen in every 10,000, own from £50,000 worth of property and upwards; 10,853 persons—or 144 per 10,000 of the population—hold property of the value of £5,000 and upwards, and their wealth is £259,674,400, representing 69·11 per cent. of the property belonging to those coming within this category.

Mr. TUDOR. — Does that return refer only to New South Wales?

Mr. BROWN.—Yes. My illustrations are mainly drawn from the conditions of my own State. In 1904 there were 749,300 adults in New South Wales, and according to this return there are 195,800 owners of wealth, whilst there are no less than 553,466 who have no accumulation of property whatever. Those who own property valued at from £200 to £5,000 total 123,695; those who own under £200 worth of property total 61,286, and those who own no property whatever total 553,466. I should like honorable members to say whether these non-property holders are all thriftless, and make no effort to help themselves. Can it be said that the 195,800 owners of wealth in New South Wales represent all the energy and intelligence of the State? I do not think that

such a contention could be seriously advanced. Indeed, I think I may very properly claim that of the 553,000 persons who do not own property in New South Wales only a very small percentage does not contribute anything towards the creation of the wealth of that State; the manual labour involved in building up the enormous wealth to which I have referred is largely provided by this vast body of non-property holders. The secret of the position is that these men are wage-earners, who are living from hand to mouth, and are helping to create that monopoly of wealth which is concentrated in the hands of the few who are able to take advantage of natural opportunities. This brings me to the question of the development of Canada. Some honorable members have pointed out that the Dominion has been developed on lines that we ought to follow. Twenty years ago only 250,000 acres were under wheat in Canada, and the yield from that area was about 1,200,000 bushels. In 1903-4, however, the total area under wheat had increased to 4,000,000 acres, and the yield was 110,000,000 bushels. Immigration, meantime, increased in proportion to the increase in the area under cultivation. In 1893, the total number of immigrants to Canada was 10,680, and ten years later—in 1903—this number had increased to 124,653. Since then the increase in immigration has been proportionately large. The secret of Canada's enormous development is that she has opened up her lands to those who are will-

ing to settle on them. She invites desirable emigrants from the old world, and gives them reasonable opportunities to produce wealth for themselves. She does not invite them to her shores to work under conditions of semi-starvation—to pick up an odd job here and there—she finds land for them to settle on.

Mr. McWILLIAMS.—The Canadian Government does not threaten to nationalize the land.

Mr. BROWN.—I shall have something to say presently with regard to that point. For about six months out of every twelve the climate is so severe in Canada that her fertile lands cannot be used, as similar lands in Australia are used, for stock-raising purposes. There the stock-raising industry must be carried on at a cost far greater than is involved under Australian conditions; the stock cannot be allowed to run at large all the year round, and, therefore, special attention has to be devoted to the cultivation of the soil. The honorable member for Franklin says that land nationalization has not been threatened in the Dominion. I suppose that the honorable member will admit that Mr. J. S. Lark, the Canadian Commissioner in Australia, is an authority with respect to the lands of the Dominion, and that he is also fairly familiar with the land laws of Australia. In an address which he delivered some time ago in Sydney, Mr. Lark said—

In Canada the Government taxed the land, which made it impossible for persons to hold land for speculative purposes, but here they taxed the man on the land. There was a great difference between the two systems. All land should be brought down to its value as a producing element. As far as he had been able to ascertain, the system followed here was an admirable one for keeping the people off the land.

The results of that system have amply borne out his conclusion.

Mr. LONSDALE.—Is not the Canadian tax a tax on improvements?

Mr. BROWN.—I am not an authority on Canadian land taxation.

Mr. LONSDALE.—The honorable member ought to be aware that the Canadian tax is not upon unimproved land values.

Mr. BROWN.—I am simply quoting the statement of a gentleman who may fairly be regarded as an authority on this question. He tells us that in Canada the Government tax the land in such a way

that it is impossible for any one to hold it for speculative purposes. Such a tax will prove the solution of the land problem of Australia. We must not allow persons to invest in land merely for the purpose of holding it for a rise—to secure the unearned increment brought about by increased population and national expenditure. Land should be held for productive purposes, and every facility should be given those who go on the soil to bring it into use. Unfortunately, large areas of our lands are kept out of use, being held purely for speculative purposes. Those who control the land control the wealth production of the people, with the result that that wealth is unduly concentrated in the hands of the few. I do not think that the honorable member for New England will contend that the 550,000 non-property owners of New South Wales are non-workers. He will not say that they have not contributed to the wealth of the community. I have here a very remarkable letter relating to the industrial conditions at present obtaining in Australia. A little while ago there was a rapid rise in the value of rabbit-skins and rabbits for export purposes, with the result that a number of persons, who had been unable for a long time to earn a fair wage, availed themselves of the new avenue of employment thus opened up, and secured handsome returns from the rabbit-trapping industry.

Mr. HENRY WILLIS.—Some of them threw up very good billets.

Mr. BROWN.—They did so in order that they might engage in a more lucrative calling. If a man can better himself by leaving his usual employment, he is generally ready to do so. What was the result of the improvement in the rabbit-trapping industry? Many families who had been on the verge of starvation suddenly found themselves able to secure some of the comforts of life, and to live under brighter and happier conditions. Small provincial towns also found that there was an increase in the amount of money in circulation, and small shopkeepers, and others, were thus benefited by the industry. But this state of things did not long continue. Owing to various causes, the price of rabbits went down, with the result that several avenues of employment were closed, and that there was a gradual return to the state of affairs previously prevailing. I now propose to read a letter claimed to have been issued by an influential association representing the

pastoralists of New South Wales. The letter was as follows:—

Private and Confidential.

The Pastoralists' Union of New South Wales
(Industrial Union of Employers),

IMPORTANT NOTICE TO MEMBERS.

Hoskins' Buildings, Spring-street,
Sydney, 16th July, 1906.

Dear Sir,—

With the advent of the shearing season, the scarcity of shearing labour has become so pronounced that the executive deem it desirable to again call your serious attention to the urgent need which exists for making every possible effort to improve the supply.

While emphasising their previous recommendations on this subject, the executive desire to urge that members should also, as far as possible, refrain from entering into fresh contracts for fencing, tank-sinking, &c., and should otherwise reduce casual station work to the lowest limits during the shearing months.

The measures which members are asked to adopt for making labour available for shearing purposes, and for increasing the existing supply, are:—

1. To discontinue rabbit trapping.
2. To reduce contract and casual station work to a minimum during the shearing months.
3. To fill at least one-fifth of their pens with learners.

In regard to rabbit trapping, the general feeling of those who have had experience of the matter is that trapping is not an effective method of destruction, and that therefore in your own interest you should not allow it on your run. You are, however, only asked to disallow it during the months of July, August, and September.

It is sincerely hoped that you will carry out these recommendations for the general good, even if your own immediate requirements do not necessitate their adoption. The object of union is to secure concerted action for mutual benefit, and in the present circumstances such concerted action is specially requisite. It should be remembered, too, that the difficulties now being experienced by others are sure, unless coped with, to extend to you sooner or later, and that therefore by assisting your fellow members now, you will be ultimately benefiting yourself.

Yours faithfully,

JOHN MAIR, Secretary.

That letter shows that concerted action is proposed to be taken by those controlling the natural means of production in New South Wales, to limit the opportunities of the great mass of the workers for making a living under the most favorable conditions, so that cheap labour may be secured to the pastoral industry.

Mr. HENRY WILLIS.—Shearing is not cheap labour.

Mr. BROWN.—An effort is being made to have even the shearing rates brought down as low as possible, and the statement which I have read shows that it is

being attempted to close other avenues of employment in the country as much as possible. Those who hold what the late Mr. Seddon declared to be a monopoly in the life-blood of the people are organizing to retain the production of wealth for themselves. It is partly in consequence of these attempts that the wealth of Australia is in the hands of a few, the mass of the people living from hand to mouth, unable, despite all their efforts, to accumulate. As I have shown, the wealth of New South Wales is in the hands of 195,800 persons, while 553,500 persons possess no wealth at all. It has been said that the proposal of the Labour Party for remedying this evil state of things by the imposition of a land value tax is confiscation and robbery. The honorable member for Grampians recognises that the Commonwealth is suffering for want of population, and, to meet the difficulty, proposes that the States should repurchase annually 1,000,000 acres, to be ultimately divided amongst suitable immigrants, and, in the meanwhile, to be leased to the present owners. He suggests that the land be purchased at its present price, I presume to prevent the expenditure of large sums in anticipation of an increase in price. But, before we can make arrangements for possible immigrants, we must devise means for providing our own people with land. In my electorate there are young men, farmers' sons, who know what hard work is, and are not afraid of it, who cannot discover reasonable opportunities for providing themselves with homes. Most of the Crown land of the State has been parted with under conditions which are not creditable to those who have had the control of affairs there, so that only a very limited area is now available, and when any of that area is thrown open, there are almost as many applicants for it as there are subscribers to a Tattersall's sweep. Men are travelling all over the State, inspecting land likely to be thrown open, and balloting for it, only to become heartbroken on discovering that they are frittering away what little means they have in a fruitless effort. These are the men for whose wants we should provide before setting aside land for possible immigrants.

Mr. SKENE.—We should provide for our own people first.

Mr. BROWN.—I am in sympathy with the honorable member; but I think that 1,000,000 acres will be required to provide

land for our own people, so that, if any provision is to be made for immigrants, the purchase of more than 1,000,000 acres will be necessary.

Mr. REID.—I am horrified at the neglect of duty on the part of honorable members. Although this is the Budget debate, there are only ten or eleven in the Chamber. [*Quorum formed.*]

Mr. BROWN.—The experience of New South Wales in regard to the repurchasing of estates has not been entirely satisfactory. When the Government had power to purchase from those who were ready to sell, it was found that they could not obtain suitable land at reasonable prices, and, with a great deal of trouble, legislation was enacted giving them the right of compulsory purchase. At least one estate has been purchased under that power, and, while some authorities say that the purchase was a good bargain for the Government, the fact that the whole of the land has not been applied for, notwithstanding the large demand for land in the State, shows that it is not as desirable as it might be, while a very unpleasant feature about the transaction is that some thousands of pounds were paid in commission to private agents, presumably to bring about the purchase. An area of 1,000,000 acres per annum would not be enough to meet the requirements of both our own population and immigrants, and I understand that the honorable member for Grampians now suggests the purchase of 5,000,000 acres. But what would be the state of the land market if 5,000,000 acres were annually being purchased by the Government?

Mr. SKENE.—Land would become cheaper.

Mr. BROWN.—If it became cheaper, that would be in contradiction to the general rule that as demand increases prices rise. I think that those who own land would ask higher prices for it, and therefore those among whom it was subsequently divided would probably have to pay for it at rates which would make their occupation of it unremunerative, or less profitable than the occupation of land more remote. I wish to get rid of the idea which seems to be held by some that the Labour Party desire to tax the industry of those on the land. Our proposed taxation will fall, not upon the improvements of a holding, but upon the unearned increment given to it by the increase of population, and the development of the coun-

try. Thus we shall be taxing a value which the owner has not himself created, with the intention of lessening the incentive to invest money in land merely for speculative purposes, and to increase the opportunities of those who desire to get possession of it for the purpose of developing it. Some honorable members object very strongly to the distinction made between large holdings and small ones, but I would point out that the leader of the Opposition was responsible for the introduction of similar legislation into the New South Wales Parliament. The Bill providing for a tax on land values in New South Wales was based upon exactly the same principle that underlies the proposal of the Labour Party, the only difference being that the New South Wales tax is not of a progressive character. It provided for the exemption of land of an improved value of £240, and a number of other exemptions were also made. Although we had a very hard fight to get that measure placed upon the statute-book, we heard nothing said about confiscation or the unfairness of the exemptions. There are 178,000 land-holders in New South Wales, whereas only 41,000 pay the land tax. According to the latest statistics, it is estimated that the unimproved value of the land in New South Wales is £129,178,000. The land, which is free from taxation under the exemption of £240, represents a value of £26,280,000. There are mortgage exemptions amounting to £16,800,000, and conditional purchase balances which are exempted, represent £9,298,000, or a total of exemptions amounting to £52,378,000. Yet we heard nothing about the inequality of the proposed tax, or of any proposal to confiscate private lands.

Mr. JOHNSON.—We heard enough about it outside of Parliament, even if nothing was heard inside the Legislature.

Mr. MCLEAN.—That tax was imposed for revenue purposes, whereas the Labour Party propose to attack the big estates.

Mr. BROWN.—The New South Wales measure was advocated on other grounds than that it would produce revenue, in the same way that the Labour Party claim that the proposed progressive land tax, in addition to producing revenue, will have the effect of breaking up the big estates. It will not impose a tax upon improvements, or upon labour and industry, but will make the land-holder give some return for the value which accrues from the growth of the

community. We hope that to this extent it will discourage land monopoly, which is sucking the life blood out of the people, and is concentrating the wealth of the community in the hands of a comparative few. The great mass of the people are unable to accumulate wealth, and our population is practically at a stand-still. If this condition of affairs is to be altered we must get rid of land monopoly; we must present facilities for settlement of such a character that our young men will stay here, and that immigrants will be attracted from other parts of the world. I contend that the proposal of the Labour party will operate in that direction. We have endeavoured to solve the problem which lies before us, which is not of our own making, and it is for those who object to our solution to submit some better proposal. Land monopolists are sucking the life blood out of the community. In New South Wales there are 178,000 landholders in a population of 1,500,000, whilst there are 553,000 workers who have practically no chance of owning any land. We are endeavouring to deal with the problem, because we wish to see the country develop. We do not desire that the great mass of our people should be condemned to sweated poverty. We may be wrong in the policy that we have foreshadowed, but if so, it is for those who oppose us to suggest something better. I am not tied down to any particular proposal, but shall gladly give my support to the best that is brought forward. My objective is the solution of the problem.

Mr. DAVID THOMSON (Capricornia) [4.54].—I congratulate the Treasurer upon the frankness which characterizes his Budget statement. I have nothing whatever to say against what has been done in the past. I think that the revenue of the Commonwealth is in a very satisfactory condition, and I hope that it will continue so. I am afraid, however, that if some of the proposals submitted to us are carried into effect, we shall fall upon evil days. The proposed penny postage scheme would result in a loss of £300,000 per annum, which would be keenly felt by those States which already have to meet a large deficiency. Queensland could not afford to have £12,750 added to her present annual deficiency which will amount to £114,000 per annum. I hold that the Commonwealth should conduct its business upon commercial

lines, and make the revenue meet the expenditure. There is no reason why our revenue should be reduced and our expenditure increased at the same time. South Australia seems to have conducted her affairs upon common-sense lines. In that State the 2d. postage applies to all parts, and residents in the towns have no advantage over those who live in the country. Why should those who reside in the large centres of population be specially favoured? Those who live in the towns do not make the country, but on the other hand the residents in cities look to the country to sustain them. South Australia has managed to make her postal system pay its way, and I think that the Commonwealth should work upon similar lines. If our postal revenue is reduced we shall have a smaller amount to return to the States, and so far as Queensland is concerned, I strongly object to the Treasurer's proposal. No one has clamoured for the proposed change. Those who are now able to send a letter from Thursday Island to the furthestmost part of Western Australia for 2d. think that they are being fairly treated, and I do not see the necessity for the proposed reduction. The Chambers of Commerce, the members of which would derive the greatest benefit from the introduction of the penny postage system, have not asked for it, and it is safe to presume that they are satisfied with the present arrangements.

Mr. FRAZER.—This is the only proposal made in this Parliament to which the Chambers of Commerce have not objected.

Mr. DAVID THOMSON.—Exactly. Penny postage may suit Victoria very well, because her territory is compact, and railways are fairly well distributed throughout that State. She can carry on her postal services at comparatively small expense, because she has not to make provision for the conveyance of her mails by coaches to anything like the same extent that is found to be necessary in New South Wales, Queensland, and other States. Victoria has found it possible to carry on a penny postage system within her own borders with success—although some years ago the 2d. postage was restored because it was not considered desirable to continue the penny postage whilst the revenue was falling. I strongly object to the proposed change, and I shall vote against it. A large number of schemes have been advocated in connexion with

the proposed transfer of the States debts. It seems to me that the Treasurer's proposals are as sound as any, and I think that the sooner we substitute another system for that now in operation under the Braddon section, the better it will be for all concerned. I do not see how the Commonwealth can offer any better security to bond-holders than that now afforded by the States. Our bond-holders, it seems to me, can obtain quite as good a security from the States as they can from the Commonwealth. The latter has absolutely nothing upon which it can levy, except its one-fourth of the receipts from Customs and Excise. Consequently I fail to see that the Commonwealth is in a position to borrow money more cheaply than it can be borrowed by the States. I am satisfied that if the latter wished to convert their loans, and to reduce them to 3 per cent., they would have just as much chance of being successful as would the Commonwealth. In my judgment there is no necessity for taking over the States debts, because if that were undertaken, although the Commonwealth would have to carry the baby, the States would have to carry the feeding bottle. I do not know that any of the schemes which have been submitted in this connexion are any better or any worse than that outlined by the Treasurer. Indeed, I am inclined to think that the advantage, if any, rests with the Treasurer's proposals. Upon Friday last the honorable member for Denison delivered a wailing speech in this House—a speech which reminded me of a black gin crying over a dead piccaninny. He endeavoured to show that Tasmania had lost considerably in connexion with the sugar duties. I wish to prove that that State has been very fairly dealt with. I regret that an impression seems to have got abroad that none of the States except Queensland derive any benefit from the operation of those duties.

Mr. REID.—Is this an electioneering speech?

Mr. DAVID THOMSON.—No. I would remind the right honorable member that I am always present to discharge my duties. I do not travel all over Australia delivering electioneering speeches as do some honorable members. I wish to prove that Queensland has been no more favoured by the operation of the sugar duties than has any other State. In this connexion I

desire to show the amounts which the various States have received by way of Excise duty after the bounty has been paid. The amount received by New South Wales was £666,072; by Victoria, £297,802; Queensland, £249,312; South Australia, £33,576; Western Australia, £71,856, in addition to a revenue of £110,000 which was derived from the import duty; and Tasmania, £69,556. In 1905, New South Wales received £128,943; Victoria, £104,589; Queensland, £78,741; South Australia, £32,102; Western Australia, £22,031; and Tasmania, £21,453. For a number of years South Australia has been importing sugar, and consequently its people have been contributing to her revenue to the extent of £6 per ton. The same remark is applicable to Western Australia and Victoria. Queensland and New South Wales are the only two States which have been exclusively using Australian sugar. When honorable members examine these figures they will find that the other States have received a considerable amount of revenue from the operation of the Excise duty. That duty is credited to each State, and the bounty is paid out of it. If there had been no Excise duty in operation they would have received so much less revenue. It is a matter for extreme regret that some honorable members will continue to assert that Queensland has benefited from the operation of the sugar duties more than has any other State. As a matter of fact, she has lost more than has any other State. At the present time, the retail price of sugar in London is 2d. per lb.; in Paris, it is 3d.; in Berlin, 2½d.; in Sydney, 2½d.; in Melbourne, from 2½d. to 2½d.; in South Australia, 2½d.; in Brisbane, 2½d.; and in Perth, 3d. I do not know that it is quite fair to quote what was the price of that article in Western Australia prior to Federation. There it was admitted free, and its retail price was from 4d. to 5d. per lb. The figures which I have quoted do not show that there has been any increase in the price of sugar consequent upon the operation of the Excise duty. Further, I contend that the bounty is not paid by the consumer. If there were no Excise levied, and there were no bounty in operation, the price of sugar would be the same as it is to-day. The Colonial Sugar Refining Company controls that. In Queensland the price of that commodity at the present time is higher than it

has been for many years. Prior to Federation, sugar could be purchased for nearly $\frac{1}{2}$ d. per lb. less than it can be purchased to-day. That is due to the fact that before the advent of Federation the production of that article had overtaken local consumption. Consequently, the Queensland consumer is worse off now than he has ever been. Nevertheless, he does not complain. The only States which urge any complaint in this connexion are Western Australia, South Australia, and Tasmania. They are always harping upon the sugar duties.

Mr. CAMERON.—We can distinguish between facts and mere assertions.

Mr. DAVID THOMSON.—One could not knock a fact into a head like that possessed by the honorable member. Since Federation, Queensland has lost £2,608,208 in revenue, as compared with the amount which she would have derived under her old State Tariff. She has received from the Commonwealth £41,083 less than her three-fourths of the Customs and Excise revenue, whereas New South Wales has received £2,203,393 more than her three-fourths, Victoria £1,409,705 more, South Australia £450,115 more, Western Australia £1,077,835 more, and Tasmania £1,33,628 more.

Mr. HENRY WILLIS.—That would be unconstitutional.

Mr. DAVID THOMSON.—Whether unconstitutional or not, it has been done. Queensland has received £41,000 less than her three-fourths, whilst Tasmania has gained.

Mr. CAMERON. — That is because the money has not been spent in Tasmania.

Mr. DAVID THOMSON. — I think that honorable members must recognise that, having regard to the large amount of revenue that Queensland is losing, she will not be prepared to agree to any increased expenditure. I wish now to refer to one or two questions relating to the sugar industry. According to the Budget, something like £25,000 has been provided for the deportation of kanakas, and I should like to know what is the source of the information obtained by the Treasurer that Queensland has only some £16,000 available for this purpose. Where has the money gone? I trust that the deportation of kanakas will be facilitated as much as possible, and that it will be conducted on humanitarian lines. Kanakas who have married white women, and have children attending our public

schools, are not, I understand, to be deported. It would be unwise to separate those men from their wives and children, but those having no ties in Australia ought certainly to be deported. The kanakas who have married and settled down do not, as a rule, work on the sugar plantations. For the most part they have taken up small plots of ground in the neighbourhood of towns, and earn a livelihood as gardeners, wood-carters, and so forth. The Queensland Government, through their officers, are taking steps to see that the work of deportation is facilitated as much as possible, and through their officers are giving every assistance to the Commonwealth. Another question associated with the sugar industry relates to the wages paid to the white workers. During the last year great trouble has been experienced owing to the refusal of the sugar planters, who are enjoying the benefit of the protection which the Commonwealth has afforded their industry, to pay a reasonable wage. I refer more particularly to those carrying on operations in the neighbourhood of Bundaberg, where the men refused to labour in the cane-fields unless they received a fair day's pay for a fair day's work. All that they asked was that they should receive 30s. a week and their keep. Notwithstanding that these planters have been enjoying a protection of £2 a ton, they refused what to my mind was a most reasonable demand. Next year, under the amending Act, they will receive a benefit of £3 per ton, and if they still refuse to concede the fair demands of the men, I hope that the Minister of Trade and Customs will take the matter in hand and insure the payment of reasonable wages. Any one who has visited the sugar-growing districts of Queensland will admit that 30s. a week and rations constitute only a fair remuneration for working in the cane-fields. I do not think that that work is exceptionally severe, but having regard to the hours of employment, the wage for which the men in the Bundaberg district struck is a very reasonable one. As long as the growers are receiving the protection afforded them under Commonwealth legislation, they ought to be prepared to pay reasonable wages. As a matter of fact, the sugar bonus was granted to enable them to employ white men at a fair wage. We do not desire that strikes should occur; but next year, when the kanakas have to go, difficulties are sure to arise unless we have

in power a sympathetic Minister, who will take steps to insure the payment of a fair wage.

Mr. HENRY WILLIS (Robertson) [5.25].—The debate on the Budget last year centred chiefly round the necessity for taking over the States debts. As I then devoted some attention to the question, and have since been deeply interested in it, I avail myself of the present opportunity to congratulate the Treasurer on the steps he has taken to make it a live one in Australia. I well remember that during the Federal campaign many men—and I was among the number—were attracted by the statement that the Commonwealth would be able to take over the debts of the States, and thus secure an immense saving to the people. About that time, Mr.—now Senator—Walker, who was a member of the Convention, wrote a very able paper pointing out the benefits which would accrue to the people of the Commonwealth by the conversion of the States' debts into 3 per cents. He showed very clearly that in that way immense savings would be effected, and that is what the people of Australia have long been expecting. The possibility of effecting such savings was strongly emphasized in New South Wales; but I think that until the right honorable member for Swan assumed office as Treasurer, this question was not thoroughly grappled with. It is in these circumstances, therefore, that I desire to congratulate him upon having made this subject his own. The right honorable gentleman went to England and interviewed not only the governors of the Bank of England, and those of other banking institutions doing business with Australia, but also Lord Goschen, and the Under-Secretary of the Treasury, all of whom advised him that a scheme for taking over the debts of the Commonwealth could be carried out with advantage to Australia, but that no hasty step should be taken. They pointed out that whilst we should be ready to avail ourselves of a favorable market, we should continue for some time in the old groove. I certainly think that the Treasurer will not do justice to himself or to this question if he follows in detail the advice tendered by these gentlemen, since they are for the most part financially interested in the continuance of the existing system. Some of them are connected with institutions and firms which have been in the habit of making a profit of 14 per cent. by underwriting the loans of the States; they have derived a large revenue from the man-

agement of our public debts, and have also done business in our stocks with trustees. They have practically monopolized the whole of the financial business of Australia, and in these circumstances, we should hardly expect them to enthuse over a system under which the States' debts would practically be taken out of their hands, and converted into 3 per cent. permanent stocks. Lord Goschen, who was consulted by the Treasurer, dealt more successfully than did any other Chancellor of the Exchequer last century with the public debt of England, so that his advice was well worth obtaining. It must be remembered, however, that he is a statesman, and that the scheme which he fathered in connexion with the public debt of England was in all probability propounded by the permanent Secretary to the Treasury, and that the view of that gentleman would be of even greater value to us.

Sir JOHN FORREST. — I also saw the Financial Secretary to the Treasury.

Mr. HENRY WILLIS.—I read that the right honorable gentleman had an interview with Sir Edward Hamilton, the Financial Secretary to the Treasury. That gentleman advised him to convert the debts as they fall due. Several schemes have been put by honorable members before the Committee, each of which contains this objectionable proposal to convert or take over the debts as they fall due. The honorable member for Koojong takes great credit for a scheme which, in my opinion, is most objectionable. He provides, in the first instance, for the creation of a council of finance. That goes without saying. But he proceeds to suggest that they must take security, have power to receive revenue from the railways, to hypothecate the railways, or to establish floating charges over them. In my opinion, those proposals spell the defeat of the scheme. I shall oppose any scheme which throws doubts on the value of the security given to our financial accommodators in England, and proposes a lien upon the assets of the States. That is not the way in which the question must be grappled with. The honorable member for Mernda has put forward a scheme which is practically the same as that of the Treasurer, though its details are as objectionable in some respects as those of the scheme of the honorable member for Koojong. He seems to have very little faith in the States, and wishes

them to give security for deficiencies. That is objectionable. The honorable member for Canobolas has stated that the States, taken separately, are as good a security as is the Commonwealth, and, in the abstract, he is correct. Mr. Coghlan has told us that the people of Great Britain will require some inducement for the conversion of their present stocks to Commonwealth stocks. They know that the States lean on each other at the present time. But, although the people of the Commonwealth are the same as the people of the States, when the debts of the States have been taken over by the Commonwealth they will be controlled by one authority instead of by six. According to the Treasurer, there is a feeling in England that, therefore, the Commonwealth security will be better than the present States security, and that, if it were made permanent, holders of States stock might be induced to invest in 3 per cent. Commonwealth stock, for which all the States, strong as well as weak, would be responsible. In my opinion, that is so, and conversion might be brought about easily, readily, and effectively. I see through this problem without difficulty, and have a scheme which I consider preferable to any yet brought forward. It embraces the best features of the Treasurer's scheme, as every scheme must, because he proposes to take over the whole of the debts, though he would do so in two processes, while I should do it in one.

Sir JOHN FORREST.—The whole of the existing debts could not be taken over without an alteration of the Constitution.

Mr. HENRY WILLIS.—No doubt that is so. I shall deal with that matter more fully later on. In Mr. Coghlan's very valuable paper are the germs of many schemes. The principles of the scheme of the honorable member for Mernda are in that paper, as are also those of the honorable member for Kooyong, which is a very amateurish scheme, that is, a scheme which would occur to an amateur. I cannot see that there is much in the scheme of the honorable member for Mernda which is not to be found in Mr. Coghlan's paper. He desires security in regard to future debts, and even goes the length of suggesting that we shall spend the money of the States, and have a lien over reproductive works. He would create a board with power to say when the States should

borrow and when they should not. But what State would consent to go cap in hand and with bended knee to an authority of that kind for permission to borrow? These schemes are not sound enough. There is much more in that of the Treasurer than in either of them. The scheme of the honorable member for Mernda differs from that of Mr. Coghlan in that the latter has shown what might be done with the debts up to 1904, while the honorable member for Mernda has worked out his calculations for the period ending 1905. A similar sinking fund scheme is in operation in England, and even in New South Wales, in regard to several services, so that it is not new. According to Mr. Coghlan, the Australian loans outstanding on the London register on the 30th June, 1904, represented £190,564,859. That sum is 82.61 per cent. of the total debt of Australia, the remaining 17.39 per cent., or £40,128,012, being on the Australian register. During the next forty-five years many millions of loans will fall due annually, and that fact has, no doubt, induced the Treasurer to take the matter in hand. He has done so because he takes broad views of large questions. He was the first to open up satisfactory communication between Western Australia and the eastern States, while in Western Australia he carried out a magnificent system of water supply which enables the tens of thousands of persons living in the arid gold-fields districts to draw their water practically from Perth. The carrying out of that scheme shows him to be a man of far-sighted ideas, who is not afraid to face great problems. He has now an opportunity which will not come again in our time. By converting the debts of Australia, he can bring about a saving of millions of pounds by reducing the rates of interest. Mr. Coghlan points out that when the debts are converted at par at a charge for interest of 3 per cent. per annum, the saving to Australia within the period in which the present loans will expire will be £1,375,000 per annum. Between 1907 and 1911 the saving will be £273,000, and between 1912 and 1916 £390,000, and it will go on increasing during a period of forty-five years until it reaches the amount I have stated. We are now being asked to face a great problem which has hitherto been kept in the back-ground. A man may well make a big reputation by dealing successfully with it.

Mr. BAMFORD.—Would the honorable member put his money into Australian 3 per cent. consols?

Mr. HENRY WILLIS.—I should be satisfied to take the security of any of the States.

Mr. BAMFORD.—The security is all right; but what about the interest?

Mr. HENRY WILLIS.—The investment would not be a good one if the interest were not certain to be paid; but it always has been paid, and always will be paid. Honorable members, of course, know that Commonwealth stock would be no safer than State stock, and the financiers of England who work our loans, getting $1\frac{1}{4}$ per cent. for underwriting and selling our stock, and advising persons to invest in it, know as well as we do that the States' stock is as good as Commonwealth stock would be. But timid outsiders, wishing to invest as trustees, would prefer Commonwealth stock to States' stock, and would be glad to get 3 per cent. stock. Trustees are not like beneficiaries, in that they do not look round for the highest interest obtainable. What they consider chiefly is the security of their investments, and the Commonwealth stocks would be preferred to State debentures.

Mr. CAMERON.—Has Australian stock ever been taken up at par?

Sir JOHN FORREST.—Yes. Western Australian stock has realized as much as £100 16s. per cent.

Mr. HENRY WILLIS.—Why was that? Because there was a sinking fund. No scheme is worth considering unless provision is made for a sinking fund. Each of the States which, whilst they were languishing, issued loans at a high rate of interest should receive the full benefit derived from the conversion of their stock and the reduction of the rate of interest. It appears that the Treasurer has been advised that a favorable time for the conversion of the States loans into Commonwealth stock would be when a considerable amount of States stocks are within a reasonable period of maturity, and that the stocks, when converted should be called Australian consols. That is suggested by the brokers, who desire to have further opportunities of reaping a large reward. They say, "Don't convert the stocks until the loans are due." But that would not be financing. We should be merely playing into the hands of those who have the money to lend. The bond-holders who had their

money to re-invest would know that we were hobbled, and would tell us that our loans would have to be underwritten at a cost of $1\frac{1}{4}$ per cent. They would inform us, further, that interest rates were not so low as they formerly were, nor so low as they had expected, and would probably demand at least 4 per cent. The financiers in London take up exactly the same attitude as is adopted by bankers. If they know that you must have money they will make you pay a much higher rate of interest than if you show them that you are in an independent position. Then it is proposed that the consols should be issued at 3 per cent. for a period of thirty years. There is no necessity for fixing a minimum period. If they are to be permanent stocks, there is no need to limit the term within which they can be redeemed.

Sir JOHN FORREST.—That plan is followed in England.

Mr. HENRY WILLIS.—In England a minimum and a maximum were fixed within which the stocks could be redeemed.

Sir JOHN FORREST.—The present Imperial bonds had a currency of thirty-five years.

Mr. HENRY WILLIS.—Yes, but those are bonds which have been converted in England.

Sir JOHN FORREST.—Mr. Coghlan is of the same opinion as I am with regard to fixing a period to begin with.

Mr. HENRY WILLIS.—Yes. I think that he suggested a term of twenty years. He has taken his idea from the English system. I have a better plan to propose, and I say that it is not necessary to fix any term. It is further proposed that the States should pass Acts making a permanent appropriation for the payment of interest on the loans. That is a proper provision to make to safeguard the Commonwealth. It is desirable that an Appropriation Act should be passed for the payment of the balance of interest without any hypothecation, and without the Commonwealth having to act as a pawnbroker, as suggested by the honorable member for Koovong, or without resorting to the plan proposed by the honorable member for Mernda, namely, that loan proposals should be submitted to a board, and that any shortage in the interest payment should be made good by the appropriation of revenue derived from reproductive public works payable to a receiver. The methods indicated by

those honorable members are not such as should be adopted in grappling with a great question of this kind. They have never been followed in England, and there is no necessity to resort to them in Australia. The people of the States and of the Commonwealth are the same, and they will have to pay the interest upon the loans. No security beyond the good faith of the people and appropriations by Act of Parliament has hitherto been given for the payment of the States debts. If there were any default on our part we should probably have a receiver placed in charge of our revenue-producing Departments—a plan which has been adopted in other countries which have failed to meet their financial obligations. All the States debts should be taken over by the Commonwealth as soon as possible. But the Treasurer proposes that the debts as existing at the time that Federation was established should first be taken over, and that afterwards the balance should be dealt with.

Sir JOHN FORREST.—I would take over the whole of the States debts in one operation, but I could not do that unless the Constitution were amended.

Mr. HENRY WILLIS.—The Treasurer suggests—

That the State debts, "as existing at the establishment of the Commonwealth," amounting to about 202 millions (as provided by Section 105 of the Constitution), be taken over as soon as possible.

That the balance of the total existing State debts, amounting to about 35 millions, be "taken over," so soon as an amendment of Section 105 of the Constitution, enabling it to be done, is obtained (*vide par. 8*).

Sir JOHN FORREST.—But if the honorable member will look at paragraph 8 of my proposal relating to the taking over of the States debts, he will see that I propose that legislative provision should be made for the taking over by the Commonwealth of the whole of the existing States debts.

Mr. HENRY WILLIS.—Yes; but my complaint is that the Treasurer is going to make two steps instead of one.

Sir JOHN FORREST.—That is because I want to get along as quickly as possible, and not wait for the necessary change of the Constitution.

Mr. HENRY WILLIS.—How will the Treasurer get on if he does not secure the necessary authority from the States to

take over the balance of their debts? My contention is that he should not begin until after he has obtained such authority.

Sir JOHN FORREST.—The State loans are continually falling due.

Mr. HENRY WILLIS.—Yes, and for that very reason the States will probably be willing to give the necessary authority at this stage. If the States can get on without us they will do so. The jealousy of the Commonwealth that exists in the States is appalling. It has reached such a stage in New South Wales that the presence of a member of this Parliament, who, as a citizen, joined in a deputation to a State Minister was recently objected to. I am ashamed to say this, but nevertheless what I state is a fact, related to me by the honorable member himself. The States will never come to the Commonwealth with a view to obtaining its assistance in regard to their loans if they feel that they can get along without doing so. If, on the other hand, they do not enlist our aid, the consequences will be calamitous. A London financial clique might meet upon an hour's notice and decide to demand a higher rate of interest, and the States would have no alternative but to pay it, in order to obtain a renewal of their loans. If, however, the Treasurer is granted the authority which he proposes to seek, the results will be beneficial to all the States. Then the Treasurer says that the States must pay the interest on their debts until they are converted, and that afterwards the Commonwealth shall be solely liable. This is half-hearted, it would be statesmanlike to complete the business at once. When the debts are assumed by the Commonwealth, the Treasurer will deduct each year from the sum payable to the States an amount sufficient to meet the interest on their debts. That is a perfectly sound proposition; but it provides only for the debts existing when the Constitution Act was passed. The Treasurer further proposes that section 87 of the Constitution—the Braddon section—should not be continued beyond the 31st December, 1910. I think that the operation of the Braddon section should terminate at once.

Sir JOHN FORREST.—It would be necessary to amend the Constitution.

Mr. HENRY WILLIS.—I am perfectly aware of that. We are dealing with over £200,000,000 of loans. This is the people's business, and if we tell them what an amendment of the Constitution

will mean, they will readily acquiesce in the proposal. The Constitution is theirs, and it is their business that we are managing, and, as the majority of the electors are sensible men, they will probably see the necessity of agreeing to the proposal.

Mr. POYNTON.—What would the honorable member substitute for the Braddon section?

Mr. HENRY WILLIS. — In the first place, I should ask the electors to consent to the immediate transfer of the States debts to the Commonwealth, and also to the immediate termination of the operation of the Braddon section. Then I should propose to make to the States a *per capita* allowance from Commonwealth revenue at a uniform rate, and upon a liberal scale, so that none of them, with the exception of Western Australia, should receive less than they are now being paid. Western Australia is a comparatively young State—her present Constitution has not been in existence for more than fourteen years. She has a population largely composed of adult males who have gone over from Victoria, New South Wales, and other States, and have left their wives and children behind them. These adult males consume a much larger proportion of highly dutiable goods than do their wives and children and other relatives, who are in the eastern States.

An HONORABLE MEMBER.—The excess of adult males over the other elements in the community is gradually being diminished in Western Australia.

Mr. HENRY WILLIS. — And, consequently, the rate of revenue per head will decrease, and gradually come down to the level of that derived in the other States. In my opinion, the time has arrived when the bookkeeping provisions and the Braddon section of our Constitution should be terminated, so that every State may be benefited by improved conditions of trade. It has been said that New South Wales and Victoria benefit the most from Federation, because goods which are consumed in other States of the union are required to pass through them. Why is that so? Do not the people of the other States obtain their goods cheaper in that way? If those goods reached them direct, as they did formerly, they would be called upon to pay more for them. My proposal is that the Commonwealth should take over the whole of the States debts, and convert them into 3 per cents. The Commonwealth stocks, being of that denomination, public opinion in the States would furnish a guar-

antee against outside borrowing on their part at higher rates of interest. I hold that any State which required to raise money should come to the Commonwealth for it. It would be to its advantage to do so, because it would thereby obtain it at 3 per cent. Of course, a sinking fund would be established, and that provision would make the security of the Commonwealth more acceptable to the investors in England. I think that the Commonwealth should take over not only the States debts which were contracted prior to Federation, but those which have since been incurred, and I am of opinion that all future loans required by the States should be raised by the Commonwealth.

Mr. CAMERON.—The States would have to ask the Commonwealth to raise loans for them?

Mr. HENRY WILLIS.—Yes. But no embargo should be placed upon them in that connexion. It is idle to urge that the States would be able to extravagantly float loans, seeing that the interests of the same people would be concerned, and that they would be closely safeguarded by the same press, which would act as a watch dog. They would not be permitted to ask for money recklessly. Public opinion would prevent that.

Mr. POYNTON. — Does the honorable member call the press a watch dog?

Mr. HENRY WILLIS. — I do. The press is a most valuable institution. If it were not for it, the people would be absolutely ignorant of the events daily transpiring throughout the world. They get their news served up to them at breakfast time in the most condensed and attractive form, and, upon the whole, the newspapers are well advised. They could not live if the people were not behind them, trusting them.

Mr. CAMERON.—How many lines will they devote to the honorable member's speech to-morrow?

Mr. HENRY WILLIS. — They have given up taking notice of me. However, I am not fishing for any notice in the columns of the newspapers. The press in my own electorate report my speeches in full, and that is all I care about. I suggest that a sinking fund should be established in connexion with every existing debt, and with every debt which may be contracted in future by the States. Such a proposal is not a new one. The British Government to-day are advancing £100,000,000 to the Irish people, and are offering a 12 per cent.

inducement to the large land-owners to sell their estates. There is an impression abroad that this money is in the nature of a free gift to the Irish people. It is nothing of the kind. The scheme is that the Irish tenants shall repay the amount advanced with interest added, and a small percentage to a sinking fund. The Local Government Board in England perform the very same functions as would be discharged by the body the creation of which has been suggested by the honorable member for Mernda. At the present time, any municipality throughout England or Scotland which desires to raise money—and many of these bodies have raised as much as £10,000,000—are required to make application to the Local Government Board. The purpose for which the money is wanted is investigated, and, if approved, the money may be borrowed; but a sinking fund has to be opened to provide for the liquidation of the debt. The system has been in existence in the old country since the eighties. Under the scheme of the honorable member for Mernda, a sovereign State of the Commonwealth would occupy a position similar to that occupied by a municipality in Great Britain. He proposes that a State desiring to float a loan should make application to Public Debts Commissioners. If there were many applications received about the same period, it would indicate that the time was not opportune for floating a loan, or that the works scheme was not approved of, and the power to borrow refused. Such a proposal the States could not entertain. Under an acceptable scheme the Commissioners would say to the State, "You shall have the money," and the State would then be responsible to the Commonwealth just as it was to the money lender direct.

Mr. POYNTON.—But who would be directly responsible?

Mr. HENRY WILLIS.—The Commonwealth. I would make the States a liberal allowance *per capita*. At present the amount averages about £2 4s. We could fix it at £2 6s. if we thought it necessary to do so.

Mr. CAMERON.—How would the honorable member raise any further sum that might be required after the Customs revenue had been exhausted?

Mr. HENRY WILLIS.—I cannot conceive of the Customs revenue being exhausted if we have an increase of population.

Mr. CAMERON.—The honorable member would not ask for any security from the States?

Mr. HENRY WILLIS.—Certainly not; no more than is now given to bond-holders in England. With the abolition of the Braddon section of the Constitution, the States would have no claim whatever to the Customs and Excise revenue. It would then be within the discretion of the Commonwealth to allow the States £2 6s. per head of population.

Mr. CAMERON.—What about future loans?

Mr. HENRY WILLIS.—Any future loans required by the States would be raised by the Commonwealth. There is no more likelihood of the former going back upon the latter than there is of their going back upon the bond-holders in England. If a State requires money for developmental purposes, it ought to be in a position to obtain it. We cannot expect the States to abandon a progressive policy of public works. They have the railways, and those railways must be pushed into the country, in order that it may be properly developed. But we must not encourage the States to go into the London market where we shall have a footing and pay more than they need to pay. If they could obtain locally what they wanted at 3 per cent., they would not think of going into the London market. An understanding should be arrived at that they should take action through the Commonwealth.

Mr. CAMERON.—The honorable member is taking it as an accepted fact that we should be able to obtain at 3 per cent. all the money we needed. As a matter of fact, we could not do so.

Mr. HENRY WILLIS.—It is all very well for some persons to make that statement. Those who are at present deriving considerable revenue from the management of our public debts tell us that we could not hope, by any consolidation, to secure what we needed at 3 per cent. As interested parties, it is natural that they should make such statements, but we know what Canada has done in this direction. She issues 2½ per cent. loans, and, although those loans are not floated at par, the price obtained closely approximates to it. If we at once took over all the debts of the States, and issued 3 per cents., it would be necessary for us to offer an inducement to bond-holders, who think as we think, that

a State security is as good as a Commonwealth one, or they would not convert their stocks.

Sir JOHN FORREST.—If we are to offer them an inducement, how are we to effect a saving?

Mr. HENRY WILLIS.—I will explain that point. We must not lose sight of the fact that we have to deal with men who know that their present security is satisfactory. As Mr. Coghlan points out, when we ask these men to exchange their 4 per cent. stocks for 3 per cent. stocks, we must offer them some inducement.

Sir JOHN FORREST.—Then we shall not effect a saving. When the stocks are approaching maturity, we shall be in a better position.

Mr. HENRY WILLIS.—What is the inducement we must offer? If we asked the bond-holders to accept a 3 per cent. for a 4 per cent. stock, which had only a year to run, we should give them little more than £100 for their bonds.

Sir JOHN FORREST.—But, supposing that the stocks had still thirty years to run?

Mr. HENRY WILLIS.—In those circumstances, if we wished the bond-holder to take a 3 per cent. for a 4 per cent. stock, we should have to give him something which would in the aggregate raise the same amount as would be raised by the 4 per cent. stock, that is to say, we should offer the actuarial value of a 4 per cent., current for thirty years, in a 3 per cent., stock.

Mr. CAMERON.—If we did that, we should increase our national debt.

Mr. HENRY WILLIS.—No, not in value, merely denomination. But does not Mr. Coghlan tell us that we must offer an inducement? The inscribed stock would sell more readily in some quarters and the holders of such stock would benefit on 'Change. We could not gain on their stocks nor could we lose by the conversion.

Sir JOHN FORREST.—He does not advise us to do so.

Mr. HENRY WILLIS.—Will the bond-holders agree to exchange a 4 per cent. for a 3 per cent. without inducement if they think, as we do, that their existing security is sound?

Sir JOHN FORREST.—We do not propose to convert any loan until it is nearing maturity, unless a satisfactory offer is made, in any case.

Mr. HENRY WILLIS.—It is in that respect that the right honorable gentleman

makes a mistake. If we ask the bond-holders to accept 3 per cent. for 4 per cent. stocks, we must give them something that will be equivalent to the difference in the percentage.

Sir JOHN FORREST.—Then what advantage shall we derive?

Mr. HENRY WILLIS.—We should gain upon every loan maturing from 1907 till existing loans had run their fixed period under the actuarial valuation, as from that period the stocks converted would cost the Commonwealth nothing. In respect of every bond current, we should give an inducement on paper by inscribing our stock. We should in that way raise the value of that stock, whilst at the same time we should reduce the interest bill on loans maturing, providing for a sinking fund of $\frac{1}{2}$ per cent., which in sixty odd years would wipe out the face value of the accumulated debt. Under this system we should pay nothing more in respect of interest, although we should appear to pay a little more on paper. When our bonds fell due we should redeem them at their face value. This is not a new scheme of finance in principle. Let me remind honorable members of the position in regard to banking institutions which are paying 10 per cent. on £25 shares. Prior to the financial crash, the shares of the Bank of New South Wales, which were issued at £25 each, ran up to about £65, whilst those of the Commercial Banking Company sold as high as £110 each. I well remember having dealings in them at that price. The bank was paying 10 per cent. and 12 per cent. dividends, as well as bonuses, and the security was considered to be as good as was a 5 per cent. or 4 per cent. or 3 per cent. stock. If the Treasurer followed the proposal I have outlined, his 3 per cents. would be floated at once, and the stocks would increase in value to the consequent advantage of holders. Financial people doing business in Australian stocks would find it to their advantage to favour this inscription and conversion. They would be able to reap a large profit, since the Commonwealth stock would be held in high esteem by the general public.

Sir JOHN FORREST.—We desire to secure some of that profit.

Mr. HENRY WILLIS.—We cannot possibly hope to benefit in that regard. If I hold a 4 per cent. bond issued by

the right honorable gentleman, I certainly should not exchange it for a 3 per cent. one, unless it were to be made of equal monetary value.

Sir JOHN FORREST.—I should pay off the honorable member when the bond matured.

Mr. HENRY WILLIS.—Yes, and probably then have to pay 4 per cent. for the money. Although Mr. Coghlan has not worked out his scheme on the lines that I have followed, the same principle will apply to both. Our bonds would be taken at par, or would practically be at a premium. As pointed out by Sir Edward Hamilton, the Commonwealth will reap the benefit of the conversions when our bonds become popular, and they certainly would become popular if this scheme were carried out. The Treasurer has told us that a minimum period is fixed in respect of Imperial loans, and he proposes that the Commonwealth should fix a minimum of thirty years.

Sir JOHN FORREST.—I think that the minimum in England at the last conversion was thirty-five years.

Mr. HENRY WILLIS.—Quite so. Mr. Coghlan suggests that we should fix a minimum of twenty years. In dealing with current bonds, we should stipulate that when converted they should have a currency equal to the period for which they were issued, before the power to redeem could operate, and at the end of that period we might give six months' notice of our intention to pay. In England a minimum and maximum period was fixed in respect of the issue of 3 per cents., and the stocks were taken up as trustees' investments. It would be unnecessary for us to fix a period in respect of new loans, because they would be dealt with in the same way as are those floated by the Imperial Government. The Treasurer has informed us that the interest on consols is paid quarterly, while that on the Australian register is paid half-yearly. I think that in taking over the debts of the States, the Commonwealth should agree to pay the interest quarterly. When Mr. Goschen proposed his great conversion scheme some years ago, he intimated that he intended that the interest should be paid quarterly instead of half-yearly, and this led many persons to favour the conversion. A man having only a small income natu-

ally desires to secure the prompt payment of interest on any security which he holds. I think that I have made my position clear. If we ask the holder of a bond worth £100 at 4 per cent., which has a year to run, to accept a 3 per cent. stock in exchange for it, we must offer him a little more than £100 for that bond. No doubt such a system would cost us a little more on paper; not more, however, in payment; but the States would be required to establish a sinking fund of $\frac{1}{2}$ per cent. from the period of renewal, and the result would be that, on the average, they would pay less than they are now doing. According to Mr. Coghlan, their present average rate of interest is 3.7 per cent. But what is the position of those States which have launched loans at 6 per cent? What a substantial benefit would accrue to them from the conversion of those loans by the Commonwealth. I hope that the Treasurer will continue to give this question his closest attention, and that the Government will seek the authority of the people for an amendment of the Constitution enabling the Commonwealth to take over all the debts, and abolishing the operation of the Braddon section.

Mr. POYNTON.—How would the honorable member deal with the States in respect of the transferred properties?

Mr. HENRY WILLIS.—That is a question that I have considered, although I had no intention of referring to it at this stage.

Sitting suspended from 6.30 to 7.30 p.m.

Mr. HENRY WILLIS.—The honorable member for Grey has asked me for my views as to what should be done in regard to the properties transferred from the States to the Commonwealth in connexion with the transfer of certain Departments of Government. I had not intended to deal with that matter at this juncture, but I have looked into it, and am of opinion that these properties should be legitimately valued, and 3 per cent. interest allowed to the States on that value, with a sinking fund of $\frac{1}{2}$ per cent., which, in a little over sixty years, would extinguish the original debt. It must be remembered that these properties were constructed largely out of borrowed money, on which the States are still paying interest. Some of the smaller States cannot afford to lose this interest, and, therefore, the Commonwealth should either pay rent for the properties, or interest in the way I have described.

Mr. BROWN.—Some of the States wish to be paid in full at once.

Mr. HENRY WILLIS.—That would not be a sound financial arrangement. The scheme I suggest would be similar to that under which the Irish land purchases are being carried on, and the local governments of the United Kingdom are working, or practically the same as that adopted in New South Wales and other States in regard to the conditional purchase of land. With regard to the Northern Territory of South Australia, I think that it should be taken over by the Commonwealth, but that the Commonwealth should be responsible only for the loan money actually expended in its development, upon which it should pay South Australia interest at the rate of 3 per cent., another $\frac{1}{2}$ per cent. going towards a sinking fund for the extinction of the debt in about sixty years. I have never declared myself in favour of the Western Australian railway, and shall not do so until I have consulted my constituents on the subject. In my opinion, however, if the State of Western Australia is really anxious for the construction of that line, it should bear half of any loss arising from its construction, the other half being borne by the Commonwealth, which, as the railway would be of use for strategical purposes, should also pay $\frac{1}{2}$ per cent. on the cost to establish a sinking fund for the liquidation of the debt.

Mr. CARPENTER.—What about South Australia?

Mr. HENRY WILLIS.—Assuming that the people of South Australia are opposed to the construction of the line, I do not know that they should be forced to bear any loss which may accrue therefrom, though, if there were a gain, the State should certainly share in it, as it runs through her territory.

Mr. BROWN.—Would the honorable member apply the same principle to the main trunk lines of the other States?

Mr. HENRY WILLIS.—So far as the proposed railway from Oodnadatta to the South Australia border is concerned, that would be purely a State undertaking; but if it became a white elephant through the taking over of the Northern Territory by the Commonwealth, it would be the duty of the Commonwealth to connect with the South Australian border the railway from Pine Creek, and the cost would, of course, be chargeable amongst the people

of the various States, per head of population, as new expenditure. In conclusion, my proposal is that the Commonwealth shall take over all the debts of the States to date, converting them at 3 per cent. at par, or at any additional sum that may be required, $\frac{1}{2}$ per cent. to be paid as a sinking fund for the liquidation of the debt within a certain period, which would be extended a little if the conversion were effected below par. I propose that the bookkeeping system should terminate within the next twelve months, as is provided for by the Constitution. When it terminates, we shall have Inter-State free-trade. It is unthinkable that there should be Federation without Inter-State free-trade. There would have been no union in the United States had it not been for the clamour of the public for that boon, and the late Sir Henry Parkes, when he stumped the country in favour of Federation, gave as one of the burning reasons for the movement the desirability of doing away with the barriers between the States. The bookkeeping keeps barriers in existence, every export and import being credited and debited like the transactions of a small retail establishment in a most vexatious and expensive manner. I would also wipe out the Braddon section, and give to the States a uniform allowance of 2s. 6d. per head of population. I would provide for the repealing of the Braddon section at the same time as the amendment of the Constitution, to give the Commonwealth power to take over the debts of the States practically to date. The debts having been converted, I propose that the States should borrow through the Commonwealth at 3 per cent., with a sinking fund of $\frac{1}{2}$ per cent. There would, of course, be a certain amount of expenditure incurred in the raising of loans. Even Great Britain has to bear incidental expenses in this matter. This expenditure might slightly increase the period necessary for repayment, which would be a little over sixty years. There can be no question that money could be raised at 3 per cent., and that our stock would be popular in the market. That there should be a Commission to manage our financial operations goes without saying. A Commission of the kind is in existence for controlling the Irish land expenditure, in connexion with which £100,000,000 is involved, together with £12,000,000 for bonuses to landowners. The appointment of the Commission must be part of any scheme. The

Commissioners would manage the loans, advise the Government, collect the Customs allowances for each State, and the balance due in interest upon loans debited to the States. Each State would pay interest on its own debt, and be responsible for its own liabilities only. The Commissioners would do the work which is now being done by our financial agents in London. The present arrangements there, except in the case of South Australia, are very expensive. South Australia is doing her business in London more expeditiously and economically than any of the other States.

Mr. GLYNN.—The Agent-General's report shows that.

Sir JOHN FORREST.—What evidence is there in regard to expedition?

Mr. HENRY WILLIS.—The work is done in the office of the State, and, although I have not the actual figures with me, I know that the expense is proportionately less than that incurred by the other States, who employ the governors of the Bank of England, the managers of the Westminster Bank, and a firm of financiers who divide the commissions between them. Twelve years ago, when I was in London, South Australia was just having its offices moved from Westminster to the East End, so that its representatives might be in the city proper, and manage the business of the State economically. They now do their work better than the work of the other States is done.

Sir JOHN FORREST.—I do not in the least degree admit that they do it better.

Mr. HENRY WILLIS.—They do it at a less cost. Of course, in any case, there must be a broker to go on the Exchange, and a banker to take charge of deposits, and to do the ordinary banking business. But, although South Australia has managed her business well, the States would do even better under the system which I propose. The financiers of England regard an Appropriation Act as affording ample security. If that is sufficient now, it will also suffice when the Commonwealth takes over the States debts. Therefore, why should the revenue from railways or other public works be hypothecated, as suggested by the honorable members for Mernda and Koo-yong? No such unsound proposals have ever been made by the financiers of England. The holders of the States stocks would be benefited by the proposed conversion, and our stocks would be boomed. We should give them something more in the form of inscribed capital, but pay them

less by way of interest. We should merely capitalize 1 per cent. of the present interest payment, and give them the cash value in stock. The present bond-holders would be benefited, but not at our expense. They would make their gain out of those who wished to invest in 3 per cent. Commonwealth stock. Until recently, many persons have not been permitted to invest in States stocks, but they would be in a position to accept Commonwealth stocks as security. All they want is a sound investment, and this would be provided by a Commonwealth stock. Our inscribed stock would be worth more during the first year than during the last year of its currency, because at the end of that term we should pay over merely £100 for every £100 that we had borrowed. That is all that the holders of the stock would get. If we contributed $\frac{1}{2}$ per cent. per annum to a sinking fund, we should be able to meet the loans as they fell due. The period would be variable, and that is why I do not fix any exact date. The Treasurer claims that great benefit would accrue to the States if their stocks were converted as they fell due. But we should not gain anything in the meantime. Why should we object to the bond-holders making something out of the stocks they hold, if we can also effect a saving? If they could be induced to boom the stocks, we should every year derive more benefit, because we should obtain our money at 3 per cent. permanently. I think that I have submitted a thoroughly sound scheme.

Mr. WILKINSON.—Whose scheme is it?

Mr. HENRY WILLIS.—It is a scheme similar to that which has been adopted in Great Britain, Canada, and the United States. It is a thoroughly sound financial scheme, which I have worked out to suit the requirements of the Commonwealth. If our 3 per cent. stocks were boomed they would become popular, and we should not object to some one else obtaining a benefit, not at our cost, but at the cost of the British public.

Mr. PAGE.—Was it not with the object of arranging for an advantageous conversion of the States debts that the Treasurer went to England?

Mr. HENRY WILLIS. — Yes; and I have given the Treasurer every credit for the excellent work he has done. The underwriters complain that they have still in their safes some of our stocks, which they have been unable to unload, and they urge that we should not place any fresh

stocks upon the market just now, because if we do so they will not be able to underwrite them for us. If our stocks were boomed, however, the whole of the stock now lying in the safes of the underwriters would be placed on the market. Mr. Coghlan points out that loans amounting to several millions will fall due every year for forty-five years, and that if the States debts are consolidated at 3 per cent. at par there will be a saving to the Commonwealth when the loans expire of £1,375,000—that is, if we allow the bond-holders an opportunity to make some profit in the meantime. During the five years, from 1907 to 1911, the loans falling due, if redeemed at 3 per cent., would represent a saving of £273,000 per annum. During the period, from 1912 to 1916, we should effect a further saving of £390,000 per annum. So the saving would be increased every year. If we do not adopt the plan suggested, the States will probably have to raise money at 4 per cent. Although I do not think that his proposal is the best, I shall give every assistance to the Treasurer to make the scheme perfect, provided that he goes forward with it. I understand that he intends to cover the whole ground if he can secure an amendment of the Constitution. He will not, however, wait until that change has been brought about. He will deal with the loans as they fall due, and afterwards seek permission to take over the balance of the States debts. Personally, I should prefer to ask the people to adopt a scheme such as I have outlined. I think that they would approve of it, because they would see that it would be to their advantage, and that it would achieve one of the purposes which were held most clearly in view when they were induced to vote for Federation.

Mr. POYNTON (Grey) [7.56].—I am afraid that at this period of the debate very little interest is being taken in the Budget proposals. Whilst we are basking in the sunshine of temporary prosperity, honorable members are inclined to lose sight of the possibilities of the future, and it seems to me that we shall have to safeguard ourselves against anything in the nature of rash or improvident financing. I have been very much surprised at the want of interest in the Budget statement displayed by the States Treasurers. It is true that there has been a considerable expansion of our

trade, and that the community as a whole is apparently prosperous, but I am afraid that that is all the consolation that the States Governments are likely to derive from a study of the Treasurer's proposals. Our boasted surplus of revenue has practically reached vanishing point. If we paid to the States all that is due to them by us, we should no longer have any money to spare. Our expenditure is increasing out of all proportion to our income. I do not know who is to blame for this, but it seems to me that our present outlook is a particularly dismal one. Of course, I know that some honorable members argue that we should not be called upon to pay the States for the transferred properties—that a mere bookkeeping entry would meet all the necessities of the case. It would be of distinct advantage to the States if they were relieved of the necessity of paying the interest on the loan moneys expended on transferred properties.

Mr. WILKS.—We have not yet taken over all the services that should be carried on by us.

Mr. POYNTON.—No; and I realize that we shall have to incur additional outlay, although we shall receive very little additional revenue when the new Departments are transferred to us. I understand that the penny postage proposal will, if adopted, involve us in an annual loss of from £200,000 to £300,000 per annum. To the aged poor who, ever since the issue of the manifesto of the first Prime Minister, have been led to believe that a system of old-age pensions was to be instituted, it must be a great consolation to learn that, instead of effect being given to such a scheme, their letters are to be carried for a penny less than they have been carried for hitherto. The question of providing old-age pensions was that upon which the Barton Ministry gained a majority at the first election. But, though five years have since elapsed, no serious attempt has been made to establish any such system. Now, because an agitation has been promoted by business persons in favour of the adoption of penny postage, the Government propose to sacrifice a revenue of from £200,000 to £300,000 annually. The business section of a community are naturally very eager to secure the advantage which would be conferred upon them by the adoption of penny postage. In some establishments, it would mean a saving of hundreds of pounds yearly.

Sir JOHN FORREST.—Perhaps, as the result of its introduction, they will sell their goods cheaper.

Mr. POYNTON.—There is not much likelihood of that. What will be the result? Very soon we shall have proposals submitted by the Treasurer—who does not believe in direct taxation—to raise an increased sum by means of indirect taxation—proposals under which the working man will be called upon to contribute to the deficiency in our revenue equally with the individual who has derived from penny postage an advantage of hundreds of pounds annually. The Budget offers very little consolation to the States Treasurers or to the aged poor of the community.

Sir JOHN FORREST.—Anybody would think that penny postage was not in operation in any State in Australia.

Mr. POYNTON.—It is not in operation in South Australia.

Sir JOHN FORREST.—In Western Australia, it has been adopted in every municipality for the past thirty years.

Mr. POYNTON.—It will confer very little advantage upon the great majority of the people. In South Australia, the employes of the Postal Department have suffered more from their transfer to Commonwealth control than have the employes of that Department in any other State. Some officials there have been deprived of many privileges which they enjoyed under State law. Prior to Federation, they were assured that upon the transfer of the Department to the Commonwealth, all their existing and accruing rights would be preserved to them. But what has been the result? Officers who were entitled to increments in a class in which the maximum salary was £200 a year, have been placed in a division in which the maximum salary is £180 yearly. Postmasters who—as an addition to their salaries—received a percentage upon the postage stamps which they sold, have had to sacrifice that percentage. Similarly, the amount which they formerly received for acting as agents for the South Australian Savings Banks, has been taken from them. Further, their duties have been increased. They are frequently called upon to discharge the functions of returning officers in connexion with Commonwealth elections, and for their services they receive practically nothing. They are sometimes required to act as Customs officers, but any money to which they might otherwise be entitled for this service must be paid into the State Treasury. They are

called upon to pay rent for residences for which no charge was previously made, notwithstanding that the salaries of some of these officers have been reduced to the extent of £150 annually. Despite all the disabilities under which they now labour, the Government propose to sacrifice a revenue from this Department of £200,000 or £300,000 annually to establish penny postage. Whether Ministers believe it or not, it is a fact that throughout the whole of the postal service in South Australia, very marked discontent exists owing to the injustice to which the officials have been subjected by the Commonwealth. It is true that they discharge their duties faithfully enough, but there is a very wide distinction between a hearty and a reluctant service. One would think that the Government would have seen that these men, upon whom they have to rely to make the Department a success, received fair treatment at their hands before proposing to sacrifice its revenue. During the course of this debate a good deal has been said in reference to our want of population. I venture to say that the period during which we shall suffer a loss of revenue in consequence of the introduction of penny postage will largely depend upon the increase which takes place in our population. What encouragement have we to hope for improvement in that direction? After all, we do not want population in the cities. The curse of Australia is that people have been driven off the land, with the result that to-day the cities are congested, to the detriment of rural industries. What proposals contained in the Budget are calculated to bring about a better state of things?

Sir JOHN FORREST.—From the honorable member's point of view, there would appear to be nothing in the Budget.

Mr. POYNTON.—I venture to say that the Treasurer is right.

Sir JOHN FORREST.—The honorable member appears to think that he is in the State Parliament.

Mr. POYNTON.—I know that the Treasurer holds a very strong opinion that we ought not to attempt to deal with the land question. But I maintain that that question is at the very root of the problem of how to attract population to Australia. Until we deal with it, we shall not receive that increase which the States require.

Sir JOHN FORREST.—Then we had better wipe them out altogether.

Mr. POYNTON.—The Treasurer is altogether too sensitive to criticism. I say that there is plenty of scope for a Treasurer who has the courage to tackle the land question. The other night the honorable member for Grampians outlined a scheme, which he has since elaborated, for the purchase of some 5,000,000 acres of land at a cost of £25,000,000. There is a good deal to be said in favour of that scheme if any system could be applied to the purchase of the land which would prevent it from being rushed up to boom prices owing to the large demand for it. What a farce it is to plead to people in other parts of the world to settle in Australia if we have not the necessary land to offer them? Of course, we have abundance of land in Australia, but, unfortunately, it is held by very large holders. It would be cruel to tempt immigrants to come here upon the mere chance that they would be able to secure land, when we know that at every meeting of the Land Boards there is an average of from thirty to fifty applicants for a single block.

Sir JOHN FORREST.—What does the honorable member want to do?

Mr. POYNTON.—Accompanying any such scheme as that which has been suggested by the honorable member for Grampians, there should be a system of compulsory purchase, which would enable applicants to obtain land at a fair value. Every common-sense land-holder will admit that the sheep at present upon our large holdings must give place to men. The large holdings must give way to smaller ones, for we must have closer settlement if we are to have a population worthy of Australia.

Sir JOHN FORREST.—That is a matter within the control of the States Parliaments.

Mr. POYNTON.—Quite so, but the right honorable member knows full well that several of the States are cursed with Constitutions under which only two out of seven have a voice in the election of members to the Upper House. In the State which I represent, legislation dealing with vested interests is blocked from time to time by eighteen gentlemen in the Legislative Council who do not really represent the wishes of the people in this regard. As long as this state of affairs continues Australia will not make much progress, and it is with a view to secure a remedy that the Labour Party has suggested the imposition of a land tax on lines similar to

those of the tax prevailing in New Zealand, which has done much to burst up large estates there. I wish now to say a word or two about the consolidation of our debts. I see no particular virtue in the proposal that we should at once take over the whole of the indebtedness of the States, nor do I see any special virtue in the contention that if we do not take over the whole of the debts we must at least take over an equivalent portion from each of the States, irrespective of whether they desire us to do so or do not.

Sir JOHN FORREST.—That is the position under the Constitution.

Mr. POYNTON.—I am aware of that, and I agree with the Treasurer that we should seek an amendment of the Constitution which will enable the Commonwealth Government to take over the States debts as they approach maturity. When this is done, an understanding must also be arrived at that the States shall borrow only through the Commonwealth. We must have control over their borrowings. Unless we do so, the moment we relieve them of responsibility in respect of their present indebtedness they will evince a strong tendency to indulge in further borrowing. The Commonwealth is entitled to take special credit for the fact that, although it has been in existence for nearly six years, it has not yet borrowed one penny. We have constructed out of revenue a great many works for which prior to Federation provision was made out of loan moneys. Whilst I admit that our expenditure in this direction is deducted from the surplus returnable to the States, I am satisfied that the effect of this system has been most beneficial. It has caused us to hasten slowly in increasing our expenditure, and it has had also a wholesome effect in another direction, since a State Treasurer is not so ready to urge the construction of various works when he knows that they must be provided for, not out of loan funds, but out of revenue. I am somewhat disappointed that the Treasurer has not yet indicated an intention on the part of the Government to bring in a Bill relating to banking. It seems to me that a Federal banking law is even more urgently required than is the adoption of a uniform system of penny postage. It is monstrous that if one draws a cheque for £1 on a South Australian branch of a banking institution, it costs him 1s. to cash it in Melbourne.

Sir JOHN FORREST.—The charge would be the same if the cheque were for £10.

Mr. POYNTON.—Certainly; but surely an arrangement could be made to obviate the necessity for such a monstrous impost. A reform is also necessary in regard to the issue of postal notes and post-cards.

Mr. AUSTIN CHAPMAN.—Hear, hear; uniformity is desirable.

Mr. FOYNTON.—But these reforms could be carried out before the adoption of the honorable gentleman's extravagant scheme of penny postage for Australia.

Mr. AUSTIN CHAPMAN.—They all must come together.

Mr. POYNTON.—At one time we heard a great deal about decimal coinage, but I am afraid that in the absence of the honorable member for South Sydney the work of the Committee appointed to deal with that question has fallen flat. Evidence was given before the Committee that great savings could be effected in connexion with the coinage of silver and copper. The Treasurer was deputed to deal with this question when in England, but we have heard very little from him.

Sir JOHN FORREST.—I referred to the matter in my Budget statement.

Mr. POYNTON.—The right honorable gentleman had very little to say about it. I do not propose to further detain the Committee; at this stage of the session long speeches should be avoided. We have still much work to do. In a very short time honorable members will be anxious to look after those who are seeking to poach on their preserves; the Ministry will find it very difficult, a few weeks hence, to maintain a quorum. I suggest, therefore, that we should push on with the work before us.

Mr. CAMERON (Wilmot) [8.24].—Before dealing with the Budget, I desire to refer briefly to one or two statements made by the honorable member for Capricornia, and also by the honorable member for Darling. When speaking this evening, the honorable member for Capricornia appeared to be under the impression that Queensland had a distinct grievance against this Parliament, and to believe that it had been wrongfully deprived of portion of the three-fourths of Customs and Excise revenue to which it is entitled. I can only presume that under the Constitution certain charges have been debited against Queensland, and that these have led to the deduction of which he com-

plains. I was much impressed by his ingratitude to the other States, who have so generously relieved Queensland of the burden imposed upon her under the sugar bounty system.

Mr. R. EDWARDS.—The honorable member is not serious.

Mr. CAMERON.—I certainly am. The honorable member for Capricornia seems to have forgotten that for twelve or eighteen months after the establishment of the Commonwealth Queensland had to take on her own shoulders the cost of the sugar bounty system. Then the right honorable member for Balaclava, who held office as Treasurer, told us that, as the people of Australia had agreed to the policy of a White Australia, it was only fair that the other States should share with Queensland the burdens it imposed. An arrangement was then made under which each State has since borne *per capita* her share of the cost of this policy.

Sir JOHN FORREST.—And they have shared the cost of that policy since its inception.

Mr. CAMERON.—That is so. I would point out to the honorable member for Capricornia, who was so loud in his lamentations, that the small State of Tasmania, large Victoria, poor South Australia, and rich Western Australia, have all been pouring into the pockets of those engaged in raising sugar in Queensland sums amounting to several hundred thousands of pounds in respect to the bounty.

Mr. DAVID THOMSON.—That statement shows that the honorable member is ignorant of the whole question.

Mr. CAMERON.—My statement is absolutely correct. In the speech which he delivered last week, the honorable member for Darling was good enough to liken the large land-holders of Australia to the aborigines, who formerly occupied this vast continent. He told us that the white men, finding that the blacks were not making proper use of the country, took it from them, and he suggested that the people should adopt the same course in dealing with the land-holders of Australia, since they were not devoting the land to the use for which it was designed by nature—the carrying of a large population. Might I suggest that the honorable member, and those who think with him, have overlooked the fact that they are proposing to dispossess of these large estates the descendants of those who originally came to this country, and, by thrift and industry—often

carrying their lives in their hands—were enabled to acquire property. The honorable member does not propose to take the land from them in a fair manner; he does not propose that the States shall acquire it at a fair valuation. He and his fellow members of the Labour Party seek to impose a crushing land tax, and thus to compel these unfortunate land-owners to sacrifice their property. I propose to give a brief example. In the State of Tasmania there are one or two persons who own £50,000 worth of land, and who, under the State land tax, pay nearly £200 per annum. If the proposals of the Labour Party were carried into effect, this taxation would be increased by £400, and therefore, taking into account other taxation, these land-holders would have to pay to the State and the Commonwealth nearly £800 per annum, or almost half of the annual value of their properties, which amounts to about £2,000. I need hardly point out that such taxation would mean absolute ruin to land-holders. No man could pay it and meet his other expenditure, too. The object of the Labour Party is to compel the large land-owners to throw their land on the market. But if, as the result of this crushing taxation, the large land-holders found themselves unable to live, and their land were all thrown on the market, there would be practically no buyers, as the market would be glutted. As a result, confidence would be shaken, men would not be able to sell or to borrow on land, and the small holders would suffer with the large. The Labour Party, with a large amount of cunning, if I may use the term, though I allude not so much to the members of this House as to those responsible for the propaganda, are saying to the small land-holders, "Do not be afraid; we shall not touch you. Our wish is to get at the big men. By making them pay this large burden of taxation, we shall be able to get revenue for the establishment of an old-age pension system." Suppose, however, that the old-age pension system is established, and that this crushing taxation has had the desired result of getting rid of the large land-holders, what must happen? The large land-holders, the descendants of the men who pioneered Australia, having gone, the money necessary to pay for old-age pensions must be found by the small land-holders. The large land-owners may be struck first; but, as sure as God made little apples, the small land-holders will be struck

later on. The injustice which is proposed to be done is to be suffered, not by aborigines or by coloured aliens, but by the descendants of the pioneers of Australia, and for this, among other reasons, I do not think that the scheme of the Labour Party will commend itself to the spirit of fair play which animates most Australian breasts, just as it will not be acceptable to the intelligence of our people. The resumption of private estates by the Commonwealth, or by the Governments of the States, is another matter. Such resumption is already provided for by the Acts of some of the States, and a Bill is now before the Tasmanian Parliament which will allow the purchase of private estates at their assessed annual value, plus 5 or 10 per cent. for enforced sale. This, in my opinion, is not too large an allowance, in view of the associations and ties which bind land-holders to their properties. I, as a fair-sized land-owner in Tasmania, would not object to the honest purchase by the Government of land thought to be required for the settlement of small holders upon the soil; but I say emphatically that the system of wholesale confiscation and robbery proposed by the Labour Party ought not to commend itself to the people of Australia. Coming now to the Treasurer's Budget, I wish first to refer to the sugar bounty question. When legislation for the establishment of a White Australia was introduced into the House, the honorable and learned member for Parkes and myself were the only two members in an assembly of seventy-five who dared to oppose it. I well remember the jeers and unpleasant remarks with which our action was greeted. A little later, when the Sugar Bounty Bill was introduced, as, we were told, a necessary corollary to the Pacific Islands Labourers Act, some half-dozen members opposed it. Under these circumstances, it is pleasing to me to know that the Treasurer, in reply to an interjection by the honorable member for North Sydney, has had to tell the Committee that we must soon seriously consider the position.

Sir JOHN FORREST.—I did not go so far as that.

Mr. CAMERON. — The words are in *Hansard*. The right honorable gentleman was a member of the Barton Government, and is therefore responsible for the White Australia legislation and the original Sugar Bounties Act. His remark shows that common sense is returning, if not to the assembly as a whole, at least to himself. Accord-

ing to his figures, the production of sugar has enormously increased since the establishment of the bounty system. Australia at the present time is producing as much as she can consume, or perhaps a little more. So many white growers have been induced by the bounties wrung from the people of the States, who have no interest in the matter, to enter upon the cultivation of cane, that the production of sugar has grown enormously, and I should like to know what will be done with the probable future surplus. Thanks to what I may call this cursed system of protection which has grown up in Australia, under which industries are fostered on the plea that we must assist our own people, in the sugar industry production has overtaken, or is rapidly overtaking, the local consumption, and within a very short period we shall be exporting sugar to other parts of the world for consumption by negroes, Chinamen, and other aliens. Further, in all probability, this sugar will be sold at a lower price than that ruling in our own market. Then we shall have to consider whether it is worth our while to continue a system under which our own people have to pay very dearly for the production of sugar for the benefit of the people outside the Commonwealth. We need only look to the example of Germany. Some years ago, it was thought that it would be a fine thing to encourage the manufacture of beet sugar in that country, and a system of bounties was introduced which resulted in sugar being sent to London and sold at one half the price realized in the local market. Three or four years ago, however, the system broke down. The German people could stand it no longer, and conferences were held with the result that it was decided to do away with the sugar bounty. Does not this show that the Treasurer was perfectly correct when he stated that we soon should have to seriously consider the question of abolishing the sugar bounties.

Mr. R. EDWARDS.—The term for the payment of the bounties has been renewed for a further five years.

Mr. CAMERON.—Yes, and in all probability, they will be paid for that period. The subject, however, is one that the people of Australia should take seriously to heart. We should seriously consider whether it would not be better to revert to the old system and permit the kanakas to be brought into Australia for the express purpose of assisting in the growth of sugar, at the same time preventing them from marry-

ing Europeans, and providing for their repatriation at the end of their period of service. The people of Tasmania, Western Australia, and South Australia, although they have no direct interest in the sugar industry, are being called upon to subsidize it for the benefit of Queensland. Yet we get no thanks from the representatives of that State, and I think that the sooner the sugar bounties are done away with, the better. Had we been met with some gratitude, we might have been willing to bear the burden.

Mr. R. EDWARDS. — We are deeply grateful.

Mr. CAMERON.—The honorable member for Capricornia did not show much gratitude. The Treasurer indicated that he intended to relieve Tasmania of the annual charge of £5,600 hitherto contributed by that State towards the cost of carrying on the cable service between Tasmania and the mainland. I have not asked that this should be done, but in view of the sacrifices that Tasmania had been called upon to make, I confess that the proposal is only a fair one. The Treasurer also told us that prior to Federation, Tasmania contributed £6,000 per annum towards the subsidy for the mail service between that State and Victoria, and that shortly after Federation had been established, an improved mail service was brought into operation, when the subsidy was increased to £13,000 per annum. He mentioned, further, that New South Wales enjoyed the advantage of a mail service to the South Sea Islands, and that the subsidy payable in connexion with it was charged to all the States upon a *per capita* basis. It seemed to him, therefore, that in view of the similarity of the circumstances, Tasmania should no longer be called upon to bear the cost of the increased subsidy, but that the amount should be met by a *per capita* contribution by the States. I should like to know whether this proposal has been brought forward merely because a representative of Tasmania happens to occupy a position in the Cabinet, or whether it has been introduced in view of the general elections, and of the fact that in Tasmania there is a deep-rooted dislike to the present Administration. Is this merely a "sop to Cerberus"—an effort to placate the people of Tasmania? If not, I should like to know why, bearing in mind the fact that Tasmania has for some years borne her proportion of the cost of the mail service between Sydney and the South Sea Islands,

this act of justice to Tasmania has been so tardily performed? If that State is entitled to be relieved of the payment of the extra subsidy now, she was entitled to be so treated three years ago.

Mr. STORRER.—Why was not justice done by the Government which the honorable member held in the hollow of his hand?

Mr. CAMERON.—That Government could not do what was necessary, because they had to adopt the estimates of their predecessors.

Mr. PAGE.—It was the honorable member's fault—he ought to have “biffed them out.”

Mr. CAMERON.—If I had “biffed them out,” I might have “biffed in” a far worse Administration. The Labour Party “biffed in” a Ministry far inferior to that which preceded it. I always judge men by what they do. The Reid-McLean Administration had no opportunity to show what they could do. They were just settling down in office, and were preparing a programme, which I believe would have commended itself to the people of the Commonwealth to a far greater degree than the programme of this Government has done, when they were turned out of office. If they had not been turned out of office, they would have had the support of an independent majority, even though that majority consisted of only one member. The majority would never have forced the Government to make concessions in order to retain office; but would have judged them upon the merits of their proposals.

Mr. CULPIN.—They were turned out of office because they had no proposals.

Mr. CAMERON.—They left office because they were disgusted with the duplicity and underhand work of some of those who were supposed to be supporting them. Like honest men they faced the music, and took their defeat with a good grace. I believe that, as the result of the next election, they will again be placed on the Treasury bench, and that they will reflect credit upon themselves and upon the country. If they do not succeed, we shall probably again see upon the Ministerial benches the representatives of that small minority who allow their movements to be controlled in the same way that a dog wags its tail. The members of the present Administration are practically responsible for every Budget that has been submitted since the Federation has been established. The Budget has invariably been submitted by a Barton-Deakin, a

Deakin-Turner, or a Deakin-cum-Watson Administration. I submit that if it is fair to relieve Tasmania of the payment of the extra £7,000 per annum in respect to the present mail service, the Treasurer should come down and tell the House that, in all fairness, that State should have refunded to it the amount in excess of the old contract price paid during the past three years.

Mr. PAGE.—Why did not the honorable member ask for this before?

Mr. CAMERON.—Upon various occasions I have demanded that fair play should be extended to Tasmania, but, unfortunately, I have not commanded the support of as many representatives from that State as I should have liked. Owing to the way in which its representatives are distributed—two occupying seats upon one side of the Chamber, and three upon the other—there is practically only one voice representing it. Had I been able to command the same measure of support as a representative of Western Australia or Queensland is in a position to command, the fair claim which I have repeatedly urged on behalf of Tasmania would have received more attention. I trust, however, that after the approaching election the representatives of Tasmania will be animated by the same spirit, and will speak with a united voice. In the very near future, I hold that it will become absolutely necessary for the representatives of the smaller States to unite upon all matters directly affecting themselves. I quite recognise that this debate has been already prolonged, and that most of the subjects which have been touched upon have been worn threadbare. I do not propose to repeat what has already been said, but I do propose to ask the people of Australia to consider the present situation. Within the course of a few weeks, the Government will be upon their trial before the electors.

Mr. ROBINSON.—They will be convicted.

Mr. CAMERON.—Probably they will be. I would ask the people of the Commonwealth as a whole what benefits they have received at the hands of the present Ministry? Can the Government point to any legislation which has been conceived in the best interests of the people as a whole? Certainly not. Possibly they may be able to point to certain manufacturers whom they have endeavoured to benefit. They may be able to point to certain States which have benefited considerably at the expense of the other States, but can they point to a single Act upon the

statute-book which is calculated to benefit the people as a whole? I venture to say that they cannot. When the verdict is demanded from the people, I feel sure that they will say to the present Administration: "Instead of proving yourselves able to control the destinies of Australia, you have allowed yourselves to become the tools of a third party. Upon you, therefore, rests the responsibility for the pernicious legislation which has been enacted at the instance of the Labour Party during the past four and a half years. It is idle for you to plead that you could not help yourselves. You could. If you were too weak to carry on with a minority, you could at least have adopted the dignified and honorable course of relinquishing the reins of Government to somebody else. As you accepted the responsibility, you must accept our verdict. Our judgment upon you is sudden death, and when you are consigned to your political tomb, only the two words 'no resurrection' will be inscribed upon your tombstone."

Mr. REID (East Sydney) [9.7].—I should not intrude upon this debate at the present stage—having already spoken—but for the necessity which I have just discovered of making a statement to the House and the country. For some years past, I have been systematically libelled in a certain newspaper, known as the *Melbourne Age*, which has charged me with having expressed views in favour of creating a state of misery amongst the Australian people. Certain alleged quotations from publications of mine have appeared in that newspaper year after year, with the same vile insinuation attached to them. This morning I took up a copy of the *Age*, and in it I found certain alleged quotations from a book which I published—I think thirty-one years ago—called *Five Free-trade Essays*. These quotations are given in the *Age* as quotations which were used at a recent meeting. The first passage reads as follows:—

Will it not be time enough to manufacture everything for ourselves when we can save, instead of lose, by the operation? Will it not be well to reap the advantages of pauper labour until we are so great a nation that we can create pauper labour of our own?

The article in the *Age* says—

That quotation, cited as it was in the course of a strong argument about Australia, aroused quite an excitement, and Mr. Cock challenged his opponent with having quoted Mr. Reid unfairly. He denied that Mr. Reid ever wrote such words.

The challenge was at once accepted. As to the accuracy of the quotation made by Mr. Haekeld, there is not the slightest doubt. The passage appears in Mr. Reid's volume of "Free-trade Essays," a copy of which any one can obtain at the Melbourne Public Library.

But this is not the only passage that proves these shocking ideas to have been definitely held by Mr. Reid. That book was written twenty years ago; but he said in the Federal Parliament, on 31st October, 1901, as recorded in *Hansard*, page 6,800, volume 5, something that is of the same identical significance.

That is to say, the similar "shocking ideas." The article continues—

He was speaking on the Tariff, and used these words:—

"How are we going to compete with these underpaid sweated countries until our own labour is underpaid and sweated too? . . . It seems to me that the prospect of growing these noxious weeds of sweated industries on this bright continent should cause a man associated with the interests of labour to shudder. In the plenitude of time, when our millions become tens of millions, we shall have a crop of misery which will solve the difficulty in regard to cheap manufactures."

Here are two different utterances, many years apart, both embodying the same idea. Mr. Reid looks forward to the time when Australia is to have sweated pauper labour. It is a goal he is working up to, as the precursor of Australian manufactures.

Honorable members can see that there is an imputation of a wicked, deliberate design on my part to carry out a public policy which will involve the masses of the Australian people in want and misery. In the most heated political controversies between free-traders and protectionists in Australia, I do not think that any free-trader has ever imputed to any protectionist such deliberate wickedness, and I do not believe that any protectionist has ever imputed to any free-trader such deliberate wickedness. But this imputation of a wicked design to see my fellow human creatures involved in misery is being repeatedly made in Victoria for an obvious purpose. I never dreamed that the wickedness of my opponents would go so far as to forge a quotation from my writings by taking words out of a sentence in order to substitute for them other words, which would convey a wicked idea which was certainly not conveyed in the free-trade essays. I have never taken the trouble to verify these quotations, in spite of all these wicked attacks. But the statement in the *Age* to-day that a copy of these *Essays* was obtainable at the Melbourne Public Library led me for the first time to test the accuracy of these alleged quotations from that publication. I found

that the book had been removed from the Parliamentary Library, but there is a copy in the Melbourne Public Library, and I have that copy before me. Now I wish to invite the attention of honorable members, and of the people of Australia, to the conduct which is being pursued towards me in reference to these quotations.

Mr. DAVID THOMSON.—Why not summon the publisher of the *Age* to the bar of the House?

Mr. REID.—I do not wish to do that. I desire now to refer to page 66 of my *Five Free-trade Essays*. These are the two sentences to which I refer:—

Will it not be time enough to manufacture everything for ourselves when we can save, instead of lose, by the operation?

That sentence is correctly reproduced by the *Age*. Then the Essay continues:—

Will it not be well to reap the advantage of the pauper labour of other countries until we are so great a nation that we have pauper labour of our own.

I was there alluding to the inevitable result which, unhappily, has attended the growth of nations from time immemorial. It is recognised that the more the millions expand the more, unfortunately, is the amount of human suffering that seems to exist, and that in young, sparsely-settled communities which have large natural resources to draw upon, there is not as a rule that state of misery which exists in other countries which count their millions crowded on a low and compact small area. What do I find? That the words—

have pauper labour of our own

have been taken out of the sentence in the form in which it has been reproduced by the *Age*, and other words have been inserted to convey the wicked idea that I desired to create that misery, this pauper labour. Whereas the Essay from which the *Age* professes to quote says:—

until we are so great a nation that we have pauper labour of our own.

the alleged quotation appearing in that journal is—

until we are so great a nation that we can create pauper labour of our own.

It is this wicked forgery of my words, in order to impute to me deliberate wickedness in the sense of creating human misery, against which I protest. The imputation is exactly the same as would be conveyed if one person, in speaking of a man who had a disease, had his words twisted to mean that he hoped he would have a

disease. It is like altering a statement that a man has a cancer so as to make it appear that the hope was expressed that a cancer would be created. That fairly illustrates the difference between these two statements. Poverty, old age, or misery is a misfortune which attributes no wickedness to any one, but when a man speaks of creating misery and misfortune he expresses a wicked, deliberate design. We have such a perversion of words in this case. The word "have" has been omitted, and the words "can create" have been inserted. Was ever a meaner or viler act of trickery or villainy known in the public history of this country? But the matter does not rest there. In the very sentence preceding the two I have mentioned, the sense in which I made that reference is shown. That sentence runs in these terms—

Are manufactures so prodigious a blessing, and the high wages which prove unfavorable to their extension so heavy a curse, that we should contrive to tax, worry, and depress the free energies of the people to promote the one at the expense of the other?

To promote manufactures at the expense of high wages! The whole of my argument throughout this essay was that we can never hope, under present conditions, to compete on equal terms in the markets of the world with industries in other countries which employ pauper labour. Instead of regarding the conditions of Australian prosperity as a curse, I was seeking to battle to preserve those conditions in the development of the natural industries of the country. The whole of this work is a laboured argument, intended to show that in the interests of the working masses—in the interests of high wages and short hours of labour—we should do better by developing our great natural resources than we should do in competing with slop-makers in the over-crowded countries of Europe. As a matter of fact, no one knows better than does the honorable member for Melbourne Ports—as the result of the work he has undertaken in connexion with the sweating evils of Melbourne—that the worst instances of sweating arise from the competition in the making of cheap clothes with the cheap productions of countries that have an overcrowded population.

Mr. MAUGER.—That is always our contention.

Mr. REID.—I was alluding to that state of things not as an evil which I

wished to create or bring about, but as an evil which I wished to prevent. However much we may differ in our views on public questions, surely we should stop short of the wickedness of altering a man's language in order to raise a wicked construction against him. Is there one honorable member of this House who could justify such conduct? The Prime Minister was indignant the other day at the action of the *Argus* in reference to an announcement about a recommendation of the Tariff Commission. Will he not be equally indignant because of the villainous wrong done me by taking words out of my published work and putting in false words, in order to make it appear that I am a disgrace to my kind? I should hope that he would. But this is not all. In this same newspaper to-day we have a reference to a speech that I delivered in this House when the Tariff was under consideration some years ago—a reference which is intended to show that the speech in question was a development of the same shocking ideas. If that newspaper had quoted the next few lines it would have shown that I expressed my absolute abhorrence of such results. The *Age* takes from page 6800 of *Hansard*, Volume V., session 1, a quotation from my speech ending, "solve the difficulty in regard to cheap manufactures." They stop there in order to show the horrible goal of human misery to which I am working up in Australia, and fail to quote another sentence within five lines which would have explained my position. I shall read the whole paragraph—

Will the erection of a fence solve it? Never! We may run a ring around our own people, but we can not bulldoze the markets of the world. When we come to compete with those markets, we shall have to do as all other nations do.

Now listen to the sentence that has been left out—

That is why I have abhorred the policy of producing artificial industries, which belong to a period of human misery and over-population.

Could any man more honestly and clearly express the motives which animated him?

Mr. CULPIN.—When did we have that period of human misery in Australia?

Mr. REID.—I say that it has not occurred here, and that it is because of my desire to prevent its occurrence that I have shown no sort of desire that Australia should enter into competition with industries that are produced by the pauper labour—as it is called by the protectionists—of

other countries. These are all matters of opinion; but there is, I hope, no difference of opinion in this House on the point that in all our political fights we should refrain from perverting, twisting, suppressing, or altering the language of our political opponents, in order to inflict a wicked wrong upon them.

HONORABLE MEMBERS.—Hear, hear!

Mr. THOMAS.—Is the right honorable member referring to his deputy leader?

Mr. REID.—The honorable member ought not to make that statement.

Mr. THOMAS.—I am referring to the way in which he attacks the honorable member for Bland, and seeks to twist his statements.

Mr. REID.—I have never observed any trace of such conduct in his fighting; but I am sure that the honorable member for Barrier does not desire to justify this attack upon me. We should have reached a very sad time in our history if he did. Whatever our political views may be, I think that, as a body of men, we desire, at all events, to try to be fair to each other, and that we would stop short of tampering with a man's publication, and altering a sentence in it, with the wicked intention of making it appear that that man is an enemy of his fellow-creatures.

Mr. WILKS.—The statement in question does not appear only in the *Age*. There is an exactly similar quotation in a leaflet issued by the Protectionist Association.

Mr. REID.—I do not know the source of this villainy.

Mr. WILKS.—It comes from the one factory.

Mr. REID.—I was not present when it was concocted; but I notice that there are two pencil marks on the leaf of the book from which I have been quoting, and which comes from the Public Library. To show how utterly wrong these statements are, I should like to make from this work one or two quotations, which indicate over and over again the meaning of my references. I was discussing this question—

We now come to the last proposition:

"4. That the protective industries will eventually be able to do without protection, and that the Colonial will sell as cheaply as the imported article." We are often assured that Australian manufactures and the "native" industry engaged in them, only require protection for a limited period, after which they will be able to compete in open market with foreign handicraft.

That was the position with which I was dealing: the statement that if these industries had protection for a limited period

they would become sufficiently strong to compete in the open markets of the world with those of other nations. I examined that proposition under these headings:—"A fall in the price of raw material"; "Improved working and machinery"; "A fall in the price of money"; and "A fall in the rates of wages." As honorable members will see, if we are ever to be able to compete on the open markets of the world on equal terms with other nations, we must study one or other or all of these factors—improved machinery, the price of raw material, the price of money, and the rates of wages. I addressed myself to that question in order to see whether there was any reasonable prospect of our ever meeting these overcrowded countries in the fields of open competition. I discussed the question of raw material: If we obtain cheap raw material, every other nation obtains it. I discussed the question of improved machinery: If we secure improved machinery, every other nation must obtain it. Then, too, I discussed the price of money, and pointed out that it is not only very unlikely, but that it would be a sad thing if money were as cheap a commodity in a young country as it is in the older countries of the world. Then I proceeded to discuss the important question of rates of wages. Instead of viewing the higher rates of wages which exist in Australia as a curse, I always referred to them in this work as the greatest possible blessing and sign of prosperity. I put the question of wages in this way—

So long as Colonial labour is in demand at its present high rates, and works eight hours a day only, we cannot hope, and are foolish if we try, to compete in the vast majority of the branches of manufacturing industry with countries far more favorably situated for such industries, that is to say, where labour is less valuable, wages lower, work longer, capital more abundant, and markets larger and more accessible; and we have tried to show that those who attempt to neutralize the prosperity of the working men of Australia by heavy protective duties betray surprising ignorance of the real nature of wealth, and the true sources of national greatness.

These views are shared by such honorable members as the honorable and learned member for West Sydney, and no one would say that he is anxious to pose as an enemy of Australian labour. He holds these identical views, which may be right or wrong, and I think I may say that, in his case, as in mine, the desire is to study the interest and welfare of the great masses of the people.

Mr. WILKS.—The same views are also shared by the honorable member for Barrier.

Mr. REID.—And also by the honorable member for Canobolas, the honorable member for Maranoa, and others. They are the last men in the world who would wish to involve the people in misery. It is our desire to avoid misery, and we think that all these artificial encouragements, in the long run, are a burden instead of an advantage to labour. We may be wrong, but the views that we hold are, at all events, prompted by right motives. It is a sad thing that hatred so persistent as that which has been shown towards me in Victoria should exist in an Australian community. No such ideas as have been attributed to me by the *Age* would be attributed to me by any organ in New South Wales. In that State, no one has ever dreamt of imputing to me such wicked intentions in regard to those of my fellow countrymen who are poor as have been imputed by the *Age* in Melbourne.

Mr. DEAKIN.—Perhaps not; but similar ideas have been attributed to me.

Mr. TUDOR.—And to the members of the Labour Party by both the free-trade and the protectionist newspapers.

Mr. REID.—I do not think that any newspaper writer in New South Wales ever took one of the honorable and learned member's books from the Public Library and altered the statements he found there.

Mr. DEAKIN.—They have done worse. They have put into my mouth words which I have never uttered.

Mr. JOHNSON.—Is that a justification for what has been done by the *Age*?

Mr. DEAKIN.—It shows that there is no difference between the people of Victoria and those of New South Wales.

Mr. REID.—I do not wish to suggest that there is any difference between the people of Victoria and those of New South Wales. These things are not done by the people of Victoria. If the honorable and learned member has been treated in the villainous way to which he refers, he cannot denounce it more emphatically than I do. If such a thing has been done by any human being, on the press or off it, it was mean, wicked, and villainous, and the honorable and learned gentleman has my complete sympathy. Until to-day, I have not taken the trouble to verify these quotations; but the statement about the book being in the Public Library suggested to

me that I should send for it. Having done so, I was horrified to discover that a forgery had been perpetrated. In the case of spoken utterances, all sorts of mistakes may occur through misreporting, without there being any deliberate intention to deceive. But no man can sit down in a public library, or elsewhere, and omit words from, or put words into, a passage which he is copying without a deliberate and wicked intention to injure some one. It remains to be seen whether these tactics will help the cause in which they are used. I shall very soon have an opportunity to visit a large number of centres in Victoria, and I shall then expose, as I have a right to do, the wicked means which have been used by the *Melbourne Age* to discredit me. I hope that the tactics of that newspaper will have the same result as similar tactics had in regard to Senator Trenwith. If the pamphlet, to which the honorable member for Dalley referred, has been issued by the Protectionist Association, the blame must fall upon the proper shoulders. These quotations have been made time after time in the *Melbourne Age*, and it is stated in that newspaper this morning—

As to the accuracy of the quotation made by Mr. Haekeld, there is not the slightest doubt the passage appears in Mr. Reid's volume of free-trade essays, a copy of which any one can obtain in the Melbourne Public Library.

It is there stated that the passage has been correctly quoted, and that the accuracy of the quotation can be verified on reference to the book in the Melbourne Library. That statement is absolutely false. It may have been made carelessly, the writer relying on the accuracy of some other publication; but if it appears in any publication of the Melbourne Protectionist Association, and was not taken from the *Melbourne Age*—because no one could blame the association for regarding the *Age* as accurate—if those responsible for such publication have invented this wicked wrong, the blame will fall on them. That is a point which I hope will be cleared up. I made the discovery to which I have referred only this evening, and I hope that honorable members will feel that I was therefore justified in saying what I have said. I am much obliged to the honorable member for Herbert in kindly giving way to me.

Mr. BAMFORD (Herbert) [9.34].—I should not have spoken to-night but for the speech of the honorable member for

Wilmot. As a rule, the members of the Opposition who represent the Tasmanian electoral divisions, when they speak about the sugar duties, set up a wail as if Tasmania were paying an undue amount. They lose sight of the fact that, prior to Federation, Queensland paid practically no duties on sugar, the amount so paid in 1899 being only £92, and in 1900 £106. Last year, however, the people of that State paid over £80,000 in Excise and Customs duties, the amount paid in duty being very small; while this year it is estimated that they will pay about £81,000. In Tasmania, however, prior to Federation, the people were paying more in sugar duties than they are paying now, the amount so paid in 1899 being £46,200, and in 1900 £47,066, whereas last year the people of the State paid only £34,202 in Customs, Excise, and Bounties, and their estimated payment for this year is only £39,492, or £8,000 less than was paid prior to Federation.

Mr. STORER.—The complaint made is in regard to the loss by the Treasury.

Mr. BAMFORD. — No. Honorable members speak as though the people of Tasmania were paying more now in connexion with the sugar industry than they were paying prior to Federation, whereas they are paying £8,000 a year less, the position of the people of Queensland being relatively worse than their position prior to Federation, and the position of the people of Tasmania being better. I do not think it fair that this wilful perversion of facts should be persisted in so continually. It has also been made to appear that no benefit has resulted from the payment of the sugar bounty; but that is not so. The figures put before us by the Treasurer show that the position of the sugar industry is better now than it has been heretofore. Not only has the number of white farmers increased, but the acreage under white labour has also increased. It is estimated that, of 131,000 acres under sugar this year, 96,000 acres, or 70 per cent., are being cultivated by white labour, while about the same percentage of the sugar produced is being produced by white labour. Therefore, it is wrong to say that no benefit has accrued from the sugar bounty. I wish now to say a word or two in regard to the proposed land tax. The honorable members for New England and Lang, who are professed single-taxers, condemn the proposal

of the Labour Party as not extreme enough, although generally it is considered as too extreme. The honorable member for New England said the other night that it is silly to think that the proposed tax would break up the large estates, because it would be inefficient and abortive. The leader of the Opposition, however, and some of his followers, have objected to our proposal on the ground that it is the introduction of the thin end of the wedge, and, as such, it should commend itself to the honorable members to whom I have referred. Only recently the Melbourne newspapers of two consecutive days contained two very remarkable statements. It was stated, in the first instance, in the *Argus* that the estates belonging to Sir Rupert Clarke at Keilor Plains, Sunbury, and another the name of which I forget, comprising over 100,000 acres, had been offered to the Victorian Government, and these estates were valued for taxation purposes at £98,000. Next day, however, it was stated in the *Age* that the land in question is estimated to be worth something like £1,000,000. Those two statements show, first, that land is being held in very large blocks, so that many who desire to settle upon it are unable to do so, and, secondly, that the country is being defrauded of legitimate revenue because taxation is not paid upon fair valuations. Some of this land is worth from £15 to £20 per acre, and the whole of it is good land. The honorable member for Wilmot claims to be the son of a pioneer—one of those men who, during the time that the blacks were very aggressive, carried their lives in their hands. No doubt they had to put up with many hardships, but they have had the advantage of a very good thing for a sufficiently long time, and should be content to let some one else have a look in. The Labour Party have put forward their land taxation proposal, because the States Parliaments have not the courage to legislate in the desired direction, or have not the power to do so. So long as the States Legislative Councils are representative of the propertied classes, it will be impossible to carry through a reasonable measure of land taxation, and it, therefore, rests upon this democratic Parliament to fill the breach. Thirty years ago there was a much larger population in some of the western counties of Victoria than is to be found there to-day. In the interval, millions of pounds have been spent in building railways and affording

better means of communication and improved facilities for the carriage of produce. The honorable member for Wilmot says that if we need the land now held by private individuals, we should pay them the market price. I would point out, however, that the additional value has been given to the land by the construction of railways and other public works, and the people are asked to buy this land at a high price, the added value being created by the people themselves. For example, who created the City of Melbourne and the high values of property in that metropolitan centre to-day? When the site of the city was first sold, the land realized £273,000. To-day it is valued at between £9,000,000 and £10,000,000. Who gave it that added value? Not the people living on the land, not the purchasers of the property, but the general public.

Mr. REID.—That does not justify a tax varying according to the area of land held—a progressive land tax is not justified from that point of view.

Mr. BAMFORD.—I fail to see how the honorable and learned member can take that view.

Mr. McWILLIAMS.—The honorable member is arguing for the nationalization of land.

Mr. BAMFORD.—The honorable member never heard me mention anything about nationalization of land.

Mr. REID.—The honorable member may not have said it, but that is what it meant.

Mr. BAMFORD.—The right honorable gentleman is now doing that which he strongly objects to on the part of others. He is putting words into the mouths of the Labour Party.

Mr. REID.—I was going to quote the New South Wales Labour platform, which has, as one of its special planks, the nationalization of land.

Mr. BAMFORD.—The Labour Party in this House is the Federal Labour Party, and we are responsible for our own platform, and for no other.

Mr. McWILLIAMS.—But the gun is a double-barrelled one all the same.

Mr. BAMFORD.—Yes; and I think that it will go off. Now I wish to say a few words with regard to the right honorable member for East Sydney. He has been good enough to visit the electorates of Wide Bay and Capricornia, and has also done me the honour to visit my electorate.

Mr. REID.—Not on the honorable member's account. I wanted to see a little of Queensland.

Mr. BAMFORD.—The ostensible purpose of the right honorable gentleman was to arouse the people to the necessity of going to the poll. He besought them to go to the poll, and record their votes, whether they voted in favour of his party or some other.

Mr. REID.—Was not that perfectly right?

Mr. BAMFORD.—Yes, but I wish to point out that the right honorable gentleman ought to have stayed at home and aroused the electors of East Sydney. He went into the Wide Bay electorate, where 67.26 per cent. of the electors on the roll recorded their votes. This was the highest proportion in the Commonwealth. Then he visited the electorate of Capricornia, where 59 per cent. of the electors on the roll recorded their votes. After having aroused the people there, he extended his travels to my electorate.

Mr. REID.—The honorable member will never forgive me for that.

Mr. BAMFORD.—I bear the right honorable member no enmity. If his visit has the effect of inducing a larger number of persons to vote, they will probably render my majority all the larger, and, therefore, I can freely give him my blessing. The right honorable gentleman went up to North Queensland, where the climate is supposed to be so warm that the people have not sufficient energy to even take a drink, in order to beseech the electors to go to the poll. Although the electors in Herbert have no facilities such as exist in more populous localities for reaching the polling places, and have no trams or omnibuses to convey them from place to place, the second largest average of votes was recorded—63.23 per cent. of the electors on the roll went to the poll. The third highest record was obtained in the Wentworth electorate, in which 62.62 per cent. of the electors voted. There, however, they have every facility for reaching the polling places. Now, I wish to point out how much more profitable it would have been for the right honorable gentleman to have remained in his own electorate to awaken the people there to the necessity of exercising the franchise. At the last election for East Sydney, only 38.76 per cent. of the electors recorded their votes.

Mr. REID.—I ran a bye—there was no serious opposition.

Mr. BAMFORD.—There was no bye about it.

Mr. REID.—The opposition was not good enough to "extend" me.

Mr. BAMFORD.—The right honorable gentleman polled 6,191 votes, and Mr. Harry Foran polled 2,139 votes. There were two other candidates named Cleary and Toomey. The right honorable gentleman, who is always complaining about representatives being returned to this House by minority votes, was supported on the occasion referred to by only 23.14 per cent. of the electors on the roll. Under these circumstances, I think that he would have spent his time to greater advantage by impressing upon the electors of East Sydney the desirability of performing their duties as citizens.

Mr. REID.—I intend to rouse them up, too.

Mr. BAMFORD.—Honorable members may recollect when the right honorable gentleman approached the Speaker in the most dignified manner, and handed in his resignation, declaring that no longer would he put up with the gerrymandering operations of the Government, who were making such a hash of things that the elections could not be fought out upon a fair basis. Then he went to East Sydney, and banged the political drum for all it was worth. The honorable member for Macquarie was sent for to assist in bringing electors to the poll. And what was the result? What had the *Sydney Morning Herald* to say about it? In their issue of the 25th August, 1903, these head-lines appeared in regard to the honorable member's opening meeting—

Great Concourse of People: Tremendous Enthusiasm: The Electorate's Bungling. Scathing Indictment of the Government.

Then it was stated that the meeting was to start at eight o'clock, but—

by half-past seven the Town Hall was more than crammed with humanity. From that time onwards the seemingly impossible task of compressing some hundreds of people into a space which was already strained to the utmost proceeded.

Then the following phrases were used:—

Whole-hearted Electrifying Enthusiasm: Magic Power of Swaying Audiences.

After the election, the *Herald* stated that a much larger vote had been expected, but explained that probably the deficiency was accounted for to some extent by the fact

that the polling day was not a holiday. Now, let us see what the results were. There were 13,763 electors on the roll, and after all the electoral drum-beating that had been going on, how many votes do honorable members think were polled?

Mr. REID.—I had no one worth mentioning against me.

Mr. BAMFORD.—The right honorable gentleman had two opponents, one named Macguire, and another named Blake. The former polled 259 votes, and the latter 96 votes, whilst the right honorable gentleman had 1,697 votes cast in his favour. Yet he had the temerity to go into my electorate with a view to inducing the electors to take some interest in the elections.

Mr. HENRY WILLIS.—He won by six votes to one.

Mr. REID.—Yes, and I was perfectly satisfied. The honorable member will not secure such a sweeping majority.

Mr. BAMFORD.—I would counsel the right honorable gentleman to give a little more attention to his own electorate, and to leave alone those in which a much higher percentage of votes has been recorded.

Mr. WILKS (Dallew) [9.50].—The Treasurer has been complimented upon having brought in the rosiest Budget that has ever been presented in Australia. It is all very well to say that the Budget is a marvel of accountancy, but it is not very rosy when regarded from the stand-point of the general public. Fortunately, we are on the up-grade, and we can congratulate ourselves upon the signs of progress which are to be found amongst us. Australia must be a great country when it can afford to maintain so many Parliaments as it does. Not a single honorable member during the course of this debate has touched upon the economy which we were assured would be practised under Federation. Instead of savings having been made in the cost of government, the expenditure in this direction has been vastly augmented. When the honorable member for Parramatta mentioned that fact the other day the Treasurer brushed it aside with the remark that the difference was due to an increase in the cost of certain services. I maintain that there has been an all-round increase so far as the governmental machine is concerned, and I am not at all surprised that the States are closely watching the actions of this Parliament. The more recessitous States naturally feel the financial pinch more acutely than do the other States of

the Union. This evening the honorable member for Grey availed himself of the opportunity presented by the Budget debate to deal with the question of land reform. I have no desire to be at all personal, but there are some honorable members who use the word "finance" very frequently during their speeches as if it had a magic ring about it. If they can only succeed in introducing the word "national" before it, they appear to think that other honorable members should be prepared to accept their dictum. I am not willing to do anything of the sort. In the course of his Budget, the Treasurer presented certain proposals in reference to taking over the States debts. I believe that the Government will father those proposals in due time, but so far they have not done so.

Sir JOHN FORREST.—The honorable member was evidently not present when I delivered my Budget.

Mr. WILKS.—Then I understand that the Government do accept the scheme of the Treasurer?

Sir JOHN FORREST.—Certainly.

Mr. WILKS.—Then I am justified in asking when they intend to submit those proposals to the House in a concrete form? In my judgment no honorable member has presented a scheme for the transfer of the States debts which would be nearly as satisfactory as the Braddon section with some modification would prove. In this connexion my remarks have special reference to Western Australia, South Australia, and Tasmania.

Mr. DAVID THOMSON.—How about Queensland?

Mr. WILKS.—In New South Wales and Victoria old-age pensions systems already exist. The only States in which similar provision has not been made are Western Australia, South Australia, and Tasmania. With a modification of the Braddon section, I claim that their particular circumstances might be fully provided for. I cannot understand what is to be gained from the Commonwealth taking over the States debts. In the ordinary walks of life I have never discovered an individual who was anxious to shoulder another's obligations. Certainly I have never found anybody who was eager to relieve me of mine.

Mr. THOMAS.—Can the honorable member understand the States objecting to the transfer of their debts?

Mr. WILKS.—I cannot. When I am assured that the States debts can be converted by the Commonwealth at a profit, I am asked to believe that the brokers in London are so blind to the conditions of Australia that they will permit that to be done without receiving any consideration. I cannot believe that they will surrender their stocks merely for the purpose of pleasing the Treasurer.

Sir JOHN FORREST.—We do not propose to ask them to convert their stocks until they are nearing maturity.

Mr. WILKS.—Exactly. The honorable member for Mernda built his entire scheme upon the assumption that the Commonwealth would be able to borrow at 3 per cent. when these loans matured. But that is all a matter of pure speculation. At the same time, I cannot see why we require a High Commissioner in London if he is not to be vested with power to deal with the debts in Australia. The more honoured and capable he is, the more desirous will he be of obtaining powers the exercise of which are essential to his high office. His most important function will be to deal with the finances of Australia. But I rose chiefly for the purpose of referring to the Labour Party. The leader of that party, in the course of his remarks upon the Budget, declared that a Federal progressive land tax was not intended to raise revenue, but was designed to burst up large estates, so that the landless poor might be afforded an opportunity of coming into their heritage. I am one of those who believe that the land question is at the root of the industrial troubles of Australia, but I am not prepared to accept a scheme of that character as a solution of the problem. The Labour Party propose to exempt all lands the unimproved value of which is less than £5,000. It seems to me that their proposal is merely a revival of the old scheme in reference to land values taxation, with evils which did not attach to it when its adoption was advocated in New South Wales. Upon estates the unimproved value of which is more than £5,000, and less than £10,000, a tax of 1d. in the £1 is to be levied. Thus £10 8s. 4d. would have to be paid upon an estate the unimproved value of which was £10,000. The honorable member for Bland wishes the country to believe that the lucky holder of such an estate would relinquish his holding rather than pay that amount.

Mr. BROWN.—The honorable member's leader says that our proposal amounts to confiscation.

Mr. WILKS.—The leader of the Labour Party affirms that the effect of the operation of such a tax would be to burst up large estates. This afternoon the honorable member for Canobolas raised a pitiful wail on behalf of the landless poor of New South Wales. I am endeavouring to show the absurdity of the idea that an annual tax of £10 8s. 4d. would compel the holder of £10,000 worth of unimproved land values to sacrifice his holding.

Mr. THOMAS.—The honorable member does not think that that is confiscation?

Mr. WILKS.—I do not. The Labour Party themselves admit that very little revenue will be derived from such a tax. In his Budget speech the Treasurer entirely ignored the subject of a Federal progressive land tax.

Mr. MCWILLIAMS.—He does not agree with it.

Mr. WILKS.—No; but the Prime Minister, since the Budget speech was delivered, has intimated that he favours such a tax. He recited his own action in the Victorian Parliament in support of it.

Sir JOHN FORREST.—I have never read anything of such a statement.

Mr. WILKS.—I would not wittingly make a statement which was not correct. I repeat that the Prime Minister has declared himself in favour of a progressive land tax.

Sir JOHN FORREST.—When?

Mr. WILKS.—Quite recently. The Labour Party have put before the country a proposal to levy a tax upon improved land values for Federal purposes.

Mr. HUTCHISON.—The honorable member is in favour of that?

Mr. WILKS.—Does the honorable member wish the public to believe that a man holding £10,000 worth of unimproved land values would have his estate burst up if he were required to pay an annual tax amounting to £10 8s. 4d.?

Mr. HUTCHISON.—In South Australia the very fact of an increased land tax being proposed caused some holders to part with their lands.

Mr. WILKS.—If the honorable member were the lucky owner of an estate the unimproved value of which was £10,000, would he burst it up rather than pay a tax of £10 per annum?

Mr. HUTCHISON.—The honorable member is referring only to that part of the tax which is designed to provide for old-age pensions.

Mr. WILKS. — In the case of estates having an unimproved value of £60,000, it is proposed that a tax equal to 3d. in the £1 should be imposed.

Mr. REID.—That would be equal to 5s. in the £1 on the annual income.

Mr. WILKS.—On an estate having an unimproved value of £60,000 the tax would amount to £572 8s. 4d. per annum.

Mr. FISHER.—The statement as to the tax being equal to 3d. in the £1 is not accurate.

Mr. WILKS.—I am prepared to back my own figures, and should like the leader of the Labour Party to say whether this tax is proposed for revenue or for reform.

Mr. WATSON. — I have answered that question times out of number.

Mr. WILKS.—Would the owner of an estate having an unimproved value of £60,000 burst it up rather than pay an annual tax of £572?

Mr. WATSON.—Will the honorable member explain our proposals to the farmers' unions?

Mr. WILKS.—Yes; I could do so far better than the honorable member could. He has changed his opinions with regard to this question on two or three different occasions. In the first place he favoured a substantial exemption; then he considered that there should be no exemption; and he now comes forward with a proposal that all estates, the unimproved value of which is £5,000, and under, shall be exempt.

Mr. WATSON.—When did I change my views? The honorable member is romancing.

Mr. REID.—But the present scheme proposes a £5,000 exemption.

Mr. WATSON.—That is so.

Mr. WILKS. — I do not own even a sheet of bark, whereas most of the members of the Labour Party are fortunate enough to be landed proprietors. While they speak on behalf of many of the squatters of the community, I am putting forward a plea on behalf of the landless poor. I fail to see how such a tax as is proposed would lead to the breaking up of large estates.

Mr. WATSON.—Does the honorable member suggest a more drastic tax?

Mr. WILKS.—If it were a tax proposed to be imposed by a State Parliament, I certainly should. I should say at once that all exemptions should be abolished. The

honorable member for Bland is aware that, as a member of the State Parliament of New South Wales, I was always opposed to exemptions of any kind. Land taxation is within the control of the States, and it would appear that the Labour Party are proposing a Federal land tax as a short cut to unification. They say that the States Parliaments will not pass a sound, progressive land tax.

Mr. THOMAS. — The right honorable member for East Sydney, on the occasion of his great Sydney speech, promised to introduce direct taxation proposals in the Federal Parliament.

Mr. REID.—Never mind what he said.

Mr. WILKS.—I could understand such a proposal on the part of a State Government, but I feel satisfied that the States Parliaments will resist the imposition of such a tax by the Federal Legislature. If the public of Australia considered that this was an attempt to secure unification, the proposed tax would certainly not meet with the approval which the Labour Party anticipate. In New South Wales, we already have a land tax and a municipal tax, and we shall also have a shire tax.

Mr. BROWN.—The shire tax is handed over to the shire councils.

Mr. WILKS.—I regard the progressive land tax proposed by the Labour Party as being unlikely to effect the purpose for which it is intended. It will be revenue producing, and certainly will not lead to the bursting up of large estates. The party have carefully provided for the exemption of all estates having an unimproved value of £5,000 and under, feeling sure, no doubt, that as the result of this, they will add largely to their voting strength. They believe, also, that the scheme will secure the support of thousands who do not own any land. As a matter of fact, there is not a block of land in my electorate to which the exemption would not apply, so that if I chose, I might safely pose as an advocate of the tax. But I am prepared to accept the responsibility of refusing to follow the Labour Party proposal.

Mr. HUTCHISON.—Does the honorable member complain that we do not propose to tax land in his electorate?

Mr. WILKS.—The honorable member will admit that it is something in the nature of a novelty to find an honorable member resisting a tax which will not affect his own electorate. No one knows

better than I do what could be said in favour of such taxation by a candidate who was addressing those who would not be affected by it; and no one knows better than I do that this proposed tax is a sham and a piece of political hypocrisy.

Mr. HUTCHISON.—One of the biggest of the land monopolies exists in my electorate. How would the honorable member deal with it?

Mr. WILKS.—If the proposal were introduced in the State Parliament of New South Wales, no one would more strongly support it than I should do. I have no desire to prolong my remarks. The present debate has been availed of by some honorable members to make policy speeches, and I felt that the opportunity to discuss the land taxation proposals of the Labour Party was an opportune one. The honorable Treasurer has been congratulated upon his Budget statement, but I find in it nothing which will be gratifying to the public. It contains no promise of reduced taxation. On the contrary, it intimates that increased services and a consequent increase of expenditure must be provided for. If the expenditure of the Federation continues to increase, it will cause the electors of Australia to feel more convinced than ever that we have too many Governors, too many Governments, and too many Parliaments.

Sir JOHN FORREST (Swan—Treasurer) [10.28].—I regret that I am called upon at this late hour to reply to the debate, but as it is the desire of the Government that the debate shall conclude to-night, I shall endeavour to so condense my remarks that I will occupy the attention of the Committee for only a very short time. I thank honorable members for the way in which they have criticised the Budget. I think that the statements which have been made as to increased expenditure, and in regard to supposed extravagance on the part of the Commonwealth, are not well founded. A great deal has been said about the estimated increase of £525,374 in the expenditure this year, but when honorable members analyze the figures, they will recognise that all the increases are justifiable. The estimated expenditure this year is £413,942 in excess of last year's estimate. We have to remember, however, that we saved last year £111,000, and that, as has been the case every year since the establishment of Federation, we may find at the end of the financial year that our estimate has not

been reached. The estimated increase of £525,374 is made up as follows:—Sugar bounties, as provided by law, £130,394; defence—owing to changes in the cadet system and increases in other directions—£72,451; new works, defence material, &c., £160,004; elections and electoral expenses, which do not occur every year, £55,900; repatriation of kanakas, which is new expenditure, £25,000; increase in the estimates of the Post and Telegraph Department, set off by increase of revenue, £68,714; and difference between sundry increases and decreases, £12,911. None of these items could have been avoided, and the charge of extravagance cannot be applied to any of them. For my own part, I think that the more closely honorable members examine these figures, the more readily they will agree that the increase is what might have been expected. The debate has centered principally round the proposals of the Government in regard to penny postage and the taking over of the debts of the States. With regard to the former, it must be remembered that more than half the population of Australia already enjoys penny postage to a limited extent. Except in South Australia, where the rate is uniformly 2d., the people living in most of the cities and towns of the Commonwealth are charged only 1d. for the delivery of letters within those centres of population, while the rate is only 1d. throughout Victoria. We have already made uniform and reduced our telegraph rates, with the result that the community has benefited, and the revenue has been increased. To those who say that we cannot afford penny postage, I would submit the following figures:—

State	Estimated Revenue, 1906-7.	Estimated Revenue, 1905-6.	Increase. + Decrease. -	Allowance for Adoption of Penny Postage.
	£	£	£	£
New South Wales	1,014,000	1,075,000	+61,000	58,000
Victoria ..	696,000	751,000	+55,000	14,000
Queensland ..	336,000	347,000	+11,000	29,000
South Australia ..	276,000	284,000	+8,000	23,000
West. Australia	247,000	245,000	-2,000	19,000
Tasmania ..	113,000	111,000	-2,000	14,000
Totals ..	2,682,000	2,813,000	131,000	157,000

Thus it will be seen that, after allowing £157,000 for possible loss of revenue by the adoption of penny postage, the estimated revenue for this year is £1,311,000.

more than the estimated revenue for last year, while the estimated expenditure for this year is only £88,687 more than the actual expenditure for last year. The actual postal revenue received in 1905-6 was £2,824,182, and the expenditure was £2,637,516, leaving a profit on the year of £186,666. For the financial year 1906-7 the estimated revenue is £2,813,000, and the estimated expenditure £2,726,203, an estimated profit of £86,797, and this profit is after allowing £157,000 as the loss of revenue due to the penny post.

Mr. STORRER.—The Deputy Postmaster-General for Tasmania has estimated the loss to that State at £22,000.

Sir JOHN FORREST.—My figures were obtained from the Postmaster-General. The proposal to establish penny postage was objected to for various reasons, but chiefly because the Governments of the various States want more money.

Mr. DAVID THOMSON.—There is already a loss on the working of the Postal Department in Queensland.

Sir JOHN FORREST.—I have just shown that the estimated postal revenue of Queensland is £11,000 more this year than it was last year, notwithstanding an allowance of £29,000 for penny post, and our contention is that the expansion of revenue in all the States is a justification for our proposal. Moreover, it is a liberal and generous proposal to make, and will undoubtedly be acceptable to the people. It is not equality of treatment that the inhabitants of Victoria should enjoy penny postage throughout their State, and the inhabitants of the various cities and towns in four of the other States should enjoy penny postage within certain areas, while the toilers, who are the backbone of the country, are not permitted to share those benefits.

Mr. DAVID THOMSON.—It would be better to raise the postage in the towns.

Sir JOHN FORREST.—My desire is to take off burdens, not to impose additional ones. I wish I had more time in which to reply to the criticisms levelled against our proposals for taking over the debts of the States, and particularly to deal with the scheme of the honorable member for Mernda. In my opinion, he has, to a large extent, ignored the provisions of the Constitution. If we were the members of a Convention, engaged in devising a scheme for the taking over of the debts of the States by the Common-

wealth, untrammelled by the provisions of the Constitution, we might be able to act on different lines from those proposed to be followed by the Government. But the Constitution will not allow us to take over all the debts of the States, and section 94 of the Constitution to which the honorable member for Mernda referred as being of a temporary character is of a permanent character, and will have to be observed unless it is amended. Then, again, the honorable member proposed that we should at once arrange to return a fixed sum to the States; but that can only be done after the 31st December, 1910, because section 87, the Braddon section, meanwhile stands in the way. Unless the Constitution is amended, that section must continue in operation until the date mentioned, and thereafter until Parliament otherwise provides. Then, again, the Constitution makes provision of the most definite character, in section 105, as well as in section 87, which the honorable member for Mernda seems to have ignored. It is there laid down in the most absolute terms that each State shall pay its own debts and the interest due upon them, and shall indemnify the Commonwealth for any payments made by it in respect to interest or principal in connexion with such debts. The honorable member for Mernda seemed to infer that I wished to take over only £103,000,000 of the States debts. I have been misunderstood by him in this matter, and the press seem to have also misunderstood me—although paragraph 8 of my memorandum reads as follows:—

I recommend that legislative provision be made for taking over by the Commonwealth of the whole of the existing State debts, which amounted in the aggregate on 30th June, 1905, to £236,680,739; but, as by section 105 of the Constitution only the State debts "as existing at the establishment of the Commonwealth," which on the same date amounted to £201,983,386 (*vide* Tables D and F herewith), can be legally dealt with, and, as it must take some time to obtain an amendment of the Constitution, I advise that the legislation should provide for dealing with the £201,983,386 at once, and that the balance of £34,697,353 be dealt with so soon as the required amendment of the Constitution is obtained. By adopting this course the conversion or redemption of loans approaching maturity could be dealt with at once by the Commonwealth.

Then I go on to say in sub-paragraph (1) of paragraph 8 that I recommend—

That a law be passed enabling the whole of the State debts to be converted before maturity, or redeemed at maturity by the Commonwealth (subject in regard to debts incurred since 1st

January, 1901, to the necessary amendment of the Constitution), by such successive operations as may be thought fit.

It is also objected that the proposals of the Government are of a temporary, and not of a permanent, character. So far as I am personally concerned, I am quite willing that they should be made to extend, if not indefinitely, at any rate for a long period; but I still think that it is unwise to make any such provision. It is not in the interests of the States that any permanent arrangement should be made now. The limitation as to time is in the interests of both parties, and especially in the interests of the States. I think that fifteen years hence we shall be in a far better position than at present to finally deal with this matter. In the meantime, we shall be working under the plan proposed, and shall have opportunities to judge as to its suitability or otherwise. My own opinion is that it will work well, and continue in operation for many years. At any rate, this Parliament will retain all its powers, and will be able to deal with the whole question far more effectively, and, I believe, far more wisely at the end of 1920 than at the present time. The proposals of the honorable member for Mernda and of others who have been good enough to criticise the proposals of the Government, are that the Commonwealth should at once take over the whole of the States debts, and become at once responsible for the payment of interest and the repayment of the principal. This proposal would confer upon the present holders of stock any profit that might arise from the transfer. In my memorandum I expressed my matured opinion on this proposal, after having consulted eminent financial authorities in England, in the following terms:—

The financial authorities whom I consulted in London were unanimous in the opinion that it would be disadvantageous to place the Commonwealth brand on State stocks before conversion, as such action would prevent the possibility of any profitable conversion, and would be making to the existing holders a present of any increase in price caused by the additional Commonwealth security.

Mr. HENRY WILLIS. — Of course, it might, but how could we obtain the profit?

Sir JOHN FORREST.—We would be likely to derive a profit, because the holders of stock would come to us. It is always better to be sought after than to go seeking. If, when the existing State bonds are approaching maturity, or even

when they are a long way off maturity, the bond-holders find that the Commonwealth stocks of the same denomination and currency are more negotiable, and are bringing a better price than similar States stocks, they will come to us and seek to exchange stock for stock, *vide* paragraph 6, sub-paragraph 6, of my memorandum. Should this occur, we shall then be in a position to indicate the terms on which we would be prepared to exchange Commonwealth stock for the State stock.

Mr. HENRY WILLIS.—Will they give £4 for £3?

Sir JOHN FORREST.—I listened very attentively to the honorable member, but his observations, I regret to say, did not carry conviction to my mind. I think that the authorities whom I consulted may be relied upon in this matter. I have had in writing from the Secretary of the Imperial Treasury the very substance of the paragraph which I have last read, and I fully rely upon his great knowledge and experience on this matter. In my opinion until we convert the loans, we should not pay the interest, but should leave that responsibility on the shoulders of the States. That is a far better plan than for the Commonwealth to pay the interest and to look to the States for the money. Difficulties might arise if we attempted to do as has been suggested. When one person has to find the money for another, difficulty sometimes arises in procuring the necessary funds at the proper time. On the other hand, if persons have to find money for themselves they generally do it much more readily. It has been complained on several occasions during this debate that the proposals of the Government are too liberal to the States. I am glad that our proposals are considered liberal to the States, as I recognise most thoroughly that this is a time when we should treat the States as liberally as possible, and recognise also to the full the great obligations that rest upon them. They have to provide for the maintenance of law and order, and Courts of Justice, for the development of the land and mines, and for all kinds of settlement. They have to make roads, and construct tramways and railways and other means of transit; they have to provide for water supply and harbor works; and, in fact, for everything connected with the every-day life of the people. All these matters necessitate a large expenditure, and in these early days we

must do our best to assist the States in every way that we can. A great deal has been said by the honorable member for Mernda and the honorable member for Bland regarding what would happen if, after the Commonwealth had guaranteed the return of a fixed sum to the States, the revenue declined so that we had not the funds to permit us to carry out our compact. I would like to ask them what all the States have to do—and they have obligations to meet amounting to hundreds of thousands of pounds—when bad times come upon them? They have to effect all sorts of economies, and to furnish funds for their needs. The Commonwealth will have to do the same. If hard times come upon us, we shall have to curtail our expenditure, and to provide other sources of income. The argument that having guaranteed the return of so many million pounds to the States we might not be able to pay it, has no weight with me. If we undertake to provide a certain amount we shall have to find it in the same way that the States have to face their obligations. Although I do not anticipate any difficulty in that direction, I say that we should occupy exactly the same position as is occupied by anybody else, whether a private citizen or a Government, who enters into an obligation. It seems to me that I put the position very clearly in paragraph 12, which reads—

The effect of this plan would be that the Commonwealth, having arranged its taxation so as to provide sufficient funds to pay annually the required contribution to the States, and also sufficient to provide for all its own general and special expenditure, would then be free from any further financial obligation to the States. The States, on the other hand, would be free from uncertainty as to the amount they were to annually receive from the Commonwealth, while both Commonwealth and States would know their exact financial positions and obligations, and would have the burden separately placed upon them of making both ends meet. This is not the case at present, since any extra expenditure by the Commonwealth means a diminution of the amount returnable to the States.

Some honorable members have asked, "What is the object of taking over the States debts? Why should we be in a hurry to take over their obligations, especially when the States themselves do not seem anxious for us to do so?" My reply is that it was part of the understanding upon which the Federation was established. We believed then—and we still believe—that a great saving would result to the people of Australia if such an undertaking were pro-

perly managed. To my mind, the object which we should keep in view is that of affording relief to the States as soon as possible. That can best be done by applying any savings which we may make to a reduction of the annual payments by the States. The honorable member for Mernda is of opinion that any savings which we may effect should be devoted to a sinking fund. My idea is that what the people of the States require is early relief. They desire that as a result of the taking over of the States debts they should pay less interest than they are at present paying. It must always be remembered in connexion with this matter that the Commonwealth would derive no benefit from any such saving. Every single sixpence of profit which might be made would be placed to the credit of the particular State concerned. That was the intention of the Constitution, and was the main reason why provision was made for the transfer of the States debts to the Commonwealth. The honorable member for Mernda, under his scheme, hopes to make a large profit, but instead of devoting that profit to the particular States concerned, he would hand it over to the other States. I submit that that is not only unfair, but is not in accordance with the Constitution.

MR. FISHER.—Where does he say that?

SIR JOHN FORREST.—He says that the profit should be applied to paying off the debts of the other States.

MR. FISHER.—Does he not calculate that their population will have greatly increased?

SIR JOHN FORREST.—After the States debts have been paid he does not say what will happen, but the assumption is that nothing whatever from Customs and Excise revenue will be returned to the States. But he proposes that in the interval any profits which might be made should be devoted to paying off the debts of the other States. In effect, his proposal broadly is that the Commonwealth should take over the whole of the Customs and Excise revenue for ever, and in return should assume responsibility for and pay off the States debts, amounting to £236,000,000. In fifty or sixty years after their taking over those debts would be liquidated, and then the Commonwealth would have all the Customs and Excise revenue, and return none of it to the States. I would point out that even in Canada the return to the States of a *per capita* amount is secured

for ever, and that it was never intended that the whole of the Customs and Excise revenue should be retained by the Commonwealth.

Mr. WATSON.—The States would be very glad to forego their Customs and Excise revenue if they could get their debts paid.

Sir JOHN FORREST.—Would they be prepared to forego it for ever?

Mr. WATSON.—Yes.

Sir JOHN FORREST.—I am positive they would not think of agreeing to such a proposal. Speaking for my own State, I say that Western Australia would not look at such a proposal. I have here a table which has been prepared by the Treasury officials, which shows that under the scheme of the honorable member for Mernda the people of New South Wales, Victoria, and Western Australia would contribute no less than £26,353,478 for the redemption of loans belonging to Queensland, South Australia, and Tasmania. The table reads—

	Debts of each State (at 30.6.05).	Approximate amount of debt to be paid off by each State under Mr. Harper's scheme	Loss to State.	Saving to State.
	£	£	£	£
N.S.W.	82,321,908	88,827,907	6,505,999	—
Vic. . .	56,815,472	67,917,780	11,102,308	—
Q'land.	42,285,107	27,750,576	—	14,523,591
S.A. . .	28,778,605	18,117,224	—	10,660,471
W.A. . .	17,012,436	25,757,907	8,745,171	—
Tas. . .	9,471,971	8,303,555	—	1,168,416
	236,680,739	236,680,739	26,353,478	26,353,478

Mr. FISHER.—That is a valueless table, and it is not accurate.

Sir JOHN FORREST.—It was prepared by the Acting-Secretary to the Treasury, and he assures me that it is absolutely accurate.

Mr. FISHER.—It is based upon the assumption that the population of the States will be the same sixty years hence as it is now.

Sir JOHN FORREST.—I am quite sure that it is correct. If we are going to take over the debts of the States, and to ask each State to liquidate its own, why stop with taking over the present debts? It would be just as reasonable to ask one State to pay the debts of another State in the future for all time as to expect one State to pay the debts of another incurred in the past.

Mr. WATSON.—Does the right honorable gentleman contemplate that the States shall continue to borrow as they may desire?

Sir JOHN FORREST.—I believe that the States will have to continue to borrow in order to develop their territories.

Mr. WATSON.—But without limitation?

Sir JOHN FORREST.—They will be limited by their power to pay interest and sinking fund. All I am saying is that the whole proposal is absolutely opposed to the bargain when Federation was established. It was clearly understood, and set forth in section 105 of the Constitution, that each State should pay its own debts and interest, and indemnify the Commonwealth for all moneys paid on its behalf. It is too late for me to add any more, though I am very glad to have had the opportunity to make these remarks. I wish to clearly state that, in my opinion, any attempt to saddle on one State the debt of another, will be regarded as a breach of faith under the Constitution, and any proposals which seek to interfere with the operation of section 105 of the Constitution would be regarded as most serious.

Mr. STORRER.—There is no provision in the Constitution for building railways.

Sir JOHN FORREST.—There is provision for building railways in any State with the consent of that State. That, however, is not the question at the present moment. In dealing with all the matters to which I have referred, one has to keep in view the provisions of the Constitution, with which I hope there will be no desire, for some time, at any rate, to interfere. Any interference, except in temporary or very small matters of convenience, would give rise to much dissatisfaction and trouble. I hope, therefore, that we shall all do our best to work out the problem as nearly as we can on the basis of the Constitution, though no doubt there will be difficulties. We cannot take over the whole of the debts unless there be an alteration of section 105. It would mean that instead of taking over the debts as they existed at the commencement of the Commonwealth, we would take them over as they exist now.

Mr. WATSON.—There is another alteration required to allow of debts as they mature being taken over.

Sir JOHN FORREST.—That is a legal matter, on which I am not called to give

an opinion. I think, however, that section 105 sufficiently covers the ground.

Mr. WATSON.—I think the right honorable gentleman will find that he is mistaken.

Sir JOHN FORREST.—The section is pretty wide, providing that the Commonwealth may take over the debts.

Mr. WATSON.—In equal proportions.

Sir JOHN FORREST. — The section says:—

The Parliament may take over from the States their public debts as existing at the establishment of the Commonwealth, or a proportion thereof.

And so forth.

Mr. WATSON. — “Or a proportion thereof.”

Sir JOHN FORREST.—There is the word “or.” If, instead of taking the debts over as existing at the time of the Commonwealth, we take over the whole of the debts, we must take them as they are now. The section goes on:—

and may convert, renew, or consolidate such debts or any part thereof.

Mr. WATSON.—The right honorable gentleman has left out an important part, to which I referred in my interjection.

Sir JOHN FORREST. — That is an alternative provision.

Mr. WATSON.—It is one of the blocks.

Sir JOHN FORREST.—I do not think it will act as a block.

Mr. WATSON. — If we take over the whole of the debts, we shall make a present to the bond-holders of a large increment of value.

Sir JOHN FORREST.—As I clearly stated, it is not intended to take the debts over, except as they mature. I pointed out that the proposal is to take the debts over, but not to take possession of them until they mature. At this late hour I shall not do more than thank honorable members for the attention they have given to, and the criticism they have bestowed on, my proposals. Whether we agree or not, the result of the debate must be good. We all have the same object in view, though seeking to reach it by different roads, and the more we study the matter, the more likely are we to arrive at a solution acceptable not only to ourselves, but to the Parliaments and peoples of the States.

Mr. FISHER.—Will the right honorable gentleman undertake to afford time for a debate upon this matter before the session ends?

Sir JOHN FORREST.—I cannot answer that question, though I promise to speak to the Prime Minister on the subject.

Mr. FISHER.—It ought to be discussed, apart from every other question.

Sir JOHN FORREST.—There will probably be another opportunity for discussion.

Question resolved in the affirmative.

Item agreed to.

Sir JOHN FORREST (Swan—Treasurer) [11.8].—I have to ask honorable members to adopt the procedure we followed last year when considering the Estimates. It was then found convenient, at the conclusion of the Budget debate, to consider the Works and Buildings Estimates before dealing with the other Departments. The object, of course, is to obtain authority to proceed with the works, and to remove any difficulty which might arise.

Progress reported.

ADJOURNMENT.

ORDER OF BUSINESS.

Mr. ISAACS (Indi—Attorney-General) [11.9].—I move—

That the House do now adjourn.

The first business to-morrow will be the Lands Acquisition Bill. Then it is proposed to take into consideration the Validation of Electoral Districts Bill, a short and merely technical measure, which ought to pass through all its stages without difficulty. The remainder of the sitting will be devoted to the consideration of the Estimates.

Question resolved in the affirmative.

House adjourned at 11.10 p.m.

Senate.

Wednesday, 22 August, 1906.

The PRESIDENT took the chair at 2.30 p.m., and read prayers.

SPECIAL ADJOURNMENT.

PRESENTATION OF ADDRESS-IN-REPLY.

Senator PLAYFORD (South Australia—Minister of Defence) [2.31].—I move—

That the Senate, at its rising, adjourn until to-morrow at half-past 3 p.m.

Honorable senators are aware that to-morrow the Governor-General is going to give

a luncheon to one-half the members of the Senate. In the circumstances, I think it will be convenient to meet at half-past 3 o'clock instead of at the usual time.

The PRESIDENT.—I wish to intimate to members of the Senate, especially to those who are going to the luncheon at Government House, that I shall be obliged if they will be there at a quarter to 1 o'clock, in order that they may be present when the Address-in-Reply to the speech with which His Excellency opened Parliament is presented.

Question resolved in the affirmative.

TRAVELLING MAIL OFFICERS.

Senator STEWART asked the Minister representing the Postmaster-General, *upon notice*—

1. Is it the case that the travelling mail officers on the Toowoomba to Roma line, Queensland, work while on duty from 19 to 28 hours without any interval for sleep?

2. If not, what are the hours worked?

3. Is it the case that one officer who had been employed on that line is now, or was recently, absent from duty on sick leave?

4. If so, what was the nature of the illness as certified by his medical attendant?

5. Is it the case that another officer on the same line was recently suspended for falling asleep on duty?

6. If so, what punishment was inflicted for the offence?

Senator KEATING.—Inquiries are being made, and answers will be furnished as soon as possible.

PUBLIC SERVICE: INCREMENTS.

Senator DE LARGIE asked the Minister representing the Minister of Home Affairs, *upon notice*—

1. What is the method adopted with regard to the granting of increments to officers in the Public Service of the Professional, Clerical, and General Divisions?

2. On whose recommendations are increments paid?

Senator KEATING.—The answers to the honorable senator's questions are as follows:—

The Public Service Commissioner has furnished the following reply:—

1. Increments to Officers of the Professional Division (Class "F"), Clerical Division (Class 5), and General Division are granted annually subject to satisfactory conduct, diligence, and general efficiency. Officers of the higher classes are granted increments from time to time as warranted by the value and importance of the work and efficiency of the officer.

2. The Public Service Commissioner upon reports from the Chief Officers, the Permanent Heads, and the Public Service Inspectors.

AUSTRALIAN INDUSTRIES PRESERVATION BILL.

In Committee (Consideration resumed from 21st August, *vide* page 3098):

Clause 4—

1. Any person who, either as principal or as agent, makes or enters into any contract, or is or continues to be a member of or engages in any combination, in relation to trade or commerce with other countries or among the States—

(a) with intent to restrain trade or commerce to the detriment of the public; or

(b) with intent to destroy or injure by means of unfair competition any Australian industry the preservation of which is advantageous to the Commonwealth, having due regard to the interests of producers, workers, and consumers,

is guilty of an offence.

Penalty, Five hundred pounds.

2. Every contract made or entered into in contravention of this section shall be absolutely illegal and void.

Senator STEWART (Queensland) [2.35].—In the debate on the second reading of the Bill, some doubt was expressed as to whether this clause would apply to a business carried on within the boundaries of one State, and the opinion generally expressed was that it would not. In order that the Bill may apply, wherever the business is carried on, I move—

That the words "among the States," lines 5 and 6, be left out.

Senator Sir JOSIAH SYMON (South Australia) [2.36].—I wish to call attention to an amendment which I think ought to be made in an earlier line of the clause. Perhaps my honorable friend will do me the favour of temporarily withdrawing his amendment.

Amendment, by leave, withdrawn.

Senator Sir JOSIAH SYMON (South Australia) [2.37].—This is the provision which is directed at restraint of trade in two forms. It penalizes any "person," which word, of course, includes a corporation or firm, "who, either as principal or agent, makes or enters into any contract." Rightly or wrongly the clause is intended to prohibit the making of, or entering into, a contract, but then it goes on to say—

or is or continues to be a member of or engages in any combination, in relation to trade or commerce in other countries or among the States.

I do not suppose it is intended that the measure, whatever its operation might be, should be retrospective. It would, I

think, obviously be extremely unjust if existing contracts were put in peril, or if persons who were concerned in contracts, which an informer might suggest were a violation of the law, should be put in jeopardy of being prosecuted and fined. From what I have heard, I do not think that the intention of the Government is that the law should be retrospective in that way—that it should, so to speak, cut existing covenants, or do serious injury to persons who happened to be members of associations which might be charged as combinations. The measure will be a very drastic weapon, and if it be placed in the power of private individuals or firms, or corporations, who might wish to raise difficulties in the way of a rival's trade to make use of it for their own purposes, it would be possible for, say, the proprietor of the Sunshine Harvester to set the law in motion against his rivals in a way of which we might not approve. When I was speaking on the second reading, Senator Trenwith interjected that he had conferred with the Government, or with the Attorney-General, and had been assured that the Bill was not meant to be retrospective, and that it would not be. But if the words "or is or continues to be a member of" be retained, I think it would necessarily be construed to be retrospective as to combinations already entered into. We might have a combination which was beneficent, or we might have a combination which was vicious, and which every one of us would seek to crush. The Minister of Defence said, quite candidly, that he could not name any combinations that were in existence; he believed that there were combinations in Australia, but that they were not bad or vicious. If there are any combinations in existence—and I do not know of any—we have not heard of them as being vicious or bad within the meaning of paragraphs *a* and *b* of this clause. A combination is really a contract or arrangement such as is indicated in clause 3. It might be called a partnership. Therefore, the word "combination" ought to be put in the same position as the correlative word "contract" in the same line, which is not made retrospective. But, because "combination" is used instead of "contract" or "arrangement" or "co-operation" or "partnership," it is sought to make the Act retrospective, and to make a partnership in such a combination penal.

Of course, it may be said that there would be no harm in that if the persons who were mixed up in the combination were not affected with intent to restrain trade or commerce. But the point is that we might have this instrument used improperly to disorganize existing trades and to injure the workers employed in existing businesses. The provision is to relate to Inter-State trade and commerce only. It might be used to injure a rival in regard to existing combinations with the result that his business might be paralyzed, and everybody might suffer. Whilst he was put on trial in order to determine whether he was filled with that intent or not, what would be the state of his business and of his workmen? His business would be paralyzed, and his workmen, if not thrown out of employment, would be in a state more or less of suspended employment. One manufacturer or trader in Australia might be brought under the clause if at present he has made an arrangement with one or more firms or individuals to regulate, it might be, prices without injuring the public. I appeal to honorable senators to consider what might be the consequences of putting this weapon into the hands of a rival trader. I do not wish to whittle down the clause in the slightest degree in regard to anybody who hereafter might enter into a combination or arrangement or co-operation because he would be acquainted with the law, and must take his chance. But I contend that it ought not to be applied to those who are engaged at present in a combination or partnership or an association of different firms. Such men should not be put on trial in respect of anything which was not an offence when the arrangement was entered into. It is a new offence, so far as we are concerned. There is not one of us who would desire to make any citizen of Australia liable to be punished in respect to an offence that is now created, but which was not an offence at the time he entered into the arrangement. I move—

That the words "or is or continues to be a member of," lines 2 and 3, be left out.

Senator BEST (Victoria) [2.51].—I quite agree with Senator Symon that if this clause is susceptible of making some act unintentionally done a crime, undoubtedly we should do all we can to prevent such a contingency. But with great respect to him, I find it difficult to attach any retrospective meaning to the

clause. As I read it, the intention is, first of all, to deal with the making or entering into a contract. That is one definite act which is specifically dealt with. The apprehension has been expressed that contracts entered into by various boot manufacturers in regard to Goodyear machines would be affected. Of course it would have to be shown that the contracts were entered into with intent to injure Australian trade or were detrimental to the public. If they were, this Bill would apply to them. The next offence relates to any person who is, or continues to be, a member of, or engages in, any combination. It is considered possible that that may be retrospective. First of all, we must ascertain what the offence is. If a combination has for its deliberate intent the restraint of trade or the injury of an Australian industry the preservation of which is advantageous to the public, an offence is committed. We will assume that at the passing of this measure there is a person who is a member of a combination which is desirous of crushing out an Australian industry, or of doing something detrimental to the public. This Bill provides that such a person shall be liable to punishment. Continuation of membership of such a body amounts to precisely the same as committing a new offence. It is the duty of the person concerned to at once relieve himself from membership of the combination. If he does so, he will be, of course, free from liability. If he continues to be a member of the combination, surely that is an act with which we can have no sympathy. The duty of Parliament would, I should say, be to put an end to such a state of affairs with the least possible delay. I am disposed to think that if any person were so unfair as to commence proceedings within a few hours of the passing of such a measure, and without allowing reasonable time for a man to get out of an illegal combination, the Court itself would say that the person proceeded against was entitled to a reasonable time to allow him to get out of the combination.

Senator Sir JOSIAH SYMON.—We do not want him to have to admit that his combination is one with intent to destroy or injure Australian industries. That is the question to be tried; and as to which he may be put on his trial.

Senator BEST.—So may the most innocent individual be put on his trial to-morrow. Some wicked crime might be alleged

against any one of us, although we might be perfectly innocent.

Senator MULCAHY.—Not unless there was a *prima facie* case.

Senator BEST. — Undoubtedly. A charge might be made against any honorable senator to-morrow. He might be dragged before the Court, and have to relieve himself from the stigma. If the combination is such an one as I have referred to, we cannot be too expeditious in compelling persons to relieve themselves of membership. When the prosecution takes place, undoubtedly the persons who are proceeding will do so at their own risk, and be liable to be penalized if they fail in what they attempt. If the intent of the combination is to do wrong, that, of course, must be proved in order to secure a conviction. What is meant is not something that is retrospectively done, but something that is done and continues to be done after the passing of this Bill, and I do not think that our Courts would give any sympathy whatever to a man who in a reckless manner, and with a view to injure a rival trader, took proceedings against him before he had time to clear out of an illegal combination. I think that the clause is clear and expressive in its present terms.

Senator STANFORTH SMITH (Western Australia) [3.1].—What I understand Senator Symon to argue is that it would be unfair to make the clause apply to contracts already entered into. If that be so, would the honorable senator desire to extend immunity for all time to any combination or trust that is at present in existence in Australia simply because it was in existence before this measure was passed? That point has not been satisfactorily cleared up. If there are in Australia monopolies that are injurious, it seems to me that it would accentuate the evil to provide that no other similar trust should grow up to compete with it. Take the Colonial Sugar Refining Company. That may or may not be a monopoly; and, if it is a monopoly, it may or may not be injurious. When legislation affecting the Colonial Sugar Refining Company was imminent some time ago, the company refused to supply its clients with sugar to the amount of their ordinary requirements.

Senator MACFARLANE.—I do not think so.

Senator STANFORTH SMITH.—I have this information from storekeepers, who have assured me it was so. The reply

that they received from the company was that it could not supply them with the full amount of sugar which they required.

Senator Sir JOSIAH SYMON.—I do not know that the Colonial Sugar Refining Company is a combination. It may be said to be a monopoly because it is a large, rich corporation. But it would not come under this clause at all.

Senator STANFORTH SMITH.—I am not sure that it would not.

Senator BEST.—It would come under clause 7.

Senator STANFORTH SMITH.—The company, at the time to which I refer, had accumulated large stocks of sugar, and when the duties of £6 and £10 per ton—according to whether the sugar was made from cane or beet—were imposed, the price of sugar for consumption within the Commonwealth was immediately raised. Then the company wrote to the storekeepers to say that it could supply them with the full quantity that they required at an increased price. It seems to me, therefore, to be a combination with intent to restrain trade and to the detriment of the public.

Senator Sir JOSIAH SYMON.—It is not a combination at all within the meaning of this Bill.

Senator STANFORTH SMITH.—It has a monopoly of a commodity produced in Australia. It is a monopolistic institution, which, if what I have heard be correct, operates to the detriment of the public.

Senator MACFARLANE.—That statement has been contradicted.

Senator STANFORTH SMITH.—Because a statement has been contradicted it is not proved to be wrong.

Senator MILLEN.—Because it is repeated it is not proved to be right.

Senator STANFORTH SMITH.—Not necessarily, but storekeepers have told me what I have related—that they could not get their usual supplies of sugar until the duties were imposed by the Commonwealth, and the price was increased. If the effect of leaving out the words quoted in Senator Symon's amendment would be to allow to continue any possible monopoly which may exist in Australia, it would be a mistake to agree to it. We should put existing monopolies on exactly the same footing as monopolies that may arise after the passing of the Bill. If Senator Symon can show that anything in this Bill

will unfairly curtail the legitimate rights of trusts and combines, I am quite prepared to vote with him, but it would not be well to put existing combinations on a distinctly better footing than combinations that may afterwards arise.

Senator PLAYFORD (South Australia—Minister of Defence) [3.6].—Senator Symon has expressed a doubt as to whether the clause is retrospective. I have the assurance of the Attorney-General that it was not intended to be, and is not, retrospective in any sense.

Senator Sir JOSIAH SYMON.—I do not agree with him.

Senator PLAYFORD.—What Senator Symon would really accomplish by striking out the words quoted in his amendment would be this: There may be at the present time a combination which is acting injuriously to the public. After the passing of the Bill, that combination could continue its operations to the injury of the public.

Senator Sir JOSIAH SYMON.—Nothing of the kind.

Senator PLAYFORD.—That is what I understand that the amendment will accomplish. We say to the members of combinations, "We do not punish you for what you have done in the past. What you did was legal, although it may have been injurious to the public. But directly we pass this measure you must stop doing that which is detrimental to the public interest." That is a fair position. I do not know what combinations may be in existence. There may be some which are highly detrimental to the public. Strike out the words to which Senator Symon objects, and the result will be that those combinations can go on for ever, and we cannot interfere with them. What honorable senators would prefer, I think, would be to provide that the measure shall not be retrospective, and shall not interfere with what the members of combinations have already done, but that as soon as the Bill is passed they must not continue their injurious practices. If the practices are not injurious to the public, they can of course be continued. If they are injurious, surely they should not be continued.

Senator Sir JOSIAH SYMON (South Australia) [3.10].—I am glad to hear what the Minister has said. He tells us that the Bill is not intended to be retrospective, and that a man who has been a member of a combination will not be penalized for

what has already been done. As Senator Best puts it even more clearly the passing of the Bill will be an intimation to members of a partnership of different traders that they must, so to speak, clear out of any combination they may have formed. That being the intention, the words go further than the desire. Therefore I shall ask leave to withdraw the amendment I have submitted with a view of, in the first place, moving the elimination of the words "or is." I frankly acknowledge the force of Senator Playford's point in discriminating as to continuing to be a member of a combination, but that does not apply to the words which I intend to move shall be omitted. It is not intended to punish a man for being a member of a combination, but for continuing to be a member; and if we retain the words "or is," any man who is a member of a combination at the moment the Bill is passed, will be liable to punishment, whether he continues to be a member or not. Senator Best is perfectly right that any one of us is liable to be unjustly summoned and charged with an offence; but we cannot be charged with an offence which is non-existing. It is an unalterable principle of British law that when a new offence is created, persons who, in the absence of any law to the contrary, have, as it were, acted innocently, shall not be liable to fine or imprisonment. That is what I mean by retrospective legislation.

Senator FLAYFORD.—The words "or is" can only apply when the Bill is passed.

Senator Sir JOSIAH SYMON.—The words will apply the moment the Bill is passed.

Senator BEST.—But the words "with intent" imply the future.

Senator Sir JOSIAH SYMON.—The moment the Bill is passed a member of a combination who may, up to that time, have acted perfectly innocently, will be liable to prosecution. While it is absolutely true that there is no offence in the absence of the element of intent, that element cannot be determined until a man is put upon his trial, and placed, so to speak, in the dock; and I object to the possibility of any citizen being haled before a Court in respect of an act which, up to that moment, was not an offence. It is not pleasant to be subjected to a prosecution for a criminal or *quasi*-criminal offence; and we must also remember that by such pro-

ceedings a man may be harassed and put to considerable expense in defending himself, while at the same time his business and prospects may be ruined and his employes thrown out of work. We ought to try as far as possible, whilst carrying out the objects of the Bill, to preserve individual freedom, and prevent men from being charged with offences in respect of acts which, before the passing of the measure, were perfectly innocent. I ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Amendment (by Senator Sir JOSIAH SYMON) proposed—

That the words "or is," line 2, be left out.

Senator MCGREGOR (South Australia) [3.18].—I am much surprised to hear an honorable senator, who professes to be such an eminent authority on draftsmanship, acknowledge that he is wrong.

Senator Sir JOSIAH SYMON.—I have not acknowledged anything of the kind.

Senator MCGREGOR.—The very fact of the withdrawal of the original amendment shows that the honorable and learned senator is doubtful as to its advisability.

Senator Sir JOSIAH SYMON.—I am not in the slightest degree doubtful.

Senator MCGREGOR.—Let us see what the clause really means; and I ask honorable senators to look at the matter from both a lay and a legal point of view. Lawyers are apt to differ on questions of this kind under almost all circumstances; their legal training seems to make them argumentative, and it does not matter how complete the draftsmanship may be, they find some fault with it.

Senator Sir JOSIAH SYMON.—We are not dealing with draftsmanship, but with a matter of substance.

Senator MCGREGOR.—The clause deals with any person who, as principal or agent, does certain acts; and there is nothing retrospective so far.

Senator Sir JOSIAH SYMON.—Nobody said there was.

Senator MCGREGOR.—Then the clause provides that any person commits an offence if he, as principal or agent, continues to be a member of a combination, for what purpose? With intent to injure the public, or to restrain trade to the disadvantage of any Australian industry. A person must enter into a combination with that object before he will be liable to a prosecution. So far as the objection to retrospective legislation is concerned, no proceedings can

be taken for any act done up to the passing of the Bill, because, although a man might have been doing wrong, there was no law against his wrong-doing. But the framers and supporters of the Bill say that if, after the Bill is passed, a man is, or continues to be, a member of an injurious combination, then he shall be guilty of an offence. Why should it not be so? I hope honorable senators observe the difference between the two divisions of this clause. The first portion deals with contracts, and that is not interfered with by the amendment. Originally, Senator Symon desired that all the words "or is, or continues to be," should be struck out; but, as I say, he found out that he was wrong.

Senator Sir JOSIAH SYMON.—I found nothing of the kind.

Senator MCGREGOR.—The Minister of Defence, who is not supposed to know anything about law, opened the mind of Senator Symon, and made the latter acknowledge that he was going a little too far.

Senator Sir JOSIAH SYMON.—That statement is not correct.

Senator MCGREGOR.—I think there are a good many honorable senators besides myself who think that the statement is correct.

Senator Sir JOSIAH SYMON.—It is usual for an honorable senator to accept a contradiction. I have said distinctly that I do not admit I was mistaken.

Senator MCGREGOR.—If I moved an amendment and thought it was right, I should stick to it; but, if otherwise, and I desired an alteration made, I should be man enough to acknowledge I was wrong. It might be months or years after the passing of the Bill before any action was taken; and if the amendment were adopted there would be a nice job for the law Courts to decide whether any punishment could be inflicted on a person who had ceased to continue to be a member of an injurious combination. As soon as the Bill is passed any person committing the act contemplated ought to be deemed guilty; and the introduction of the measure ought to be sufficient warning to those who are now doing wrong. If coining were not an offence, and the public suddenly awoke to the fact that the practice was injurious, and introduced a law against it, would any one attempt to insert an amendment of this kind? We are not legislating against the

innocent, but for the purpose of preventing any one, or any combination, committing a certain act with intent to injure the public. People may now be committing a wrong of the kind, and they certainly ought to be liable to punishment immediately the Bill becomes law; indeed, we should be failing in our duty if we legislated otherwise. Every honorable senator who has the interests of Australia at heart must agree that a man who is, or continues to be, a member of such a combination after the passing of the Bill—indeed, that is implied in every instance—should be deemed guilty of an offence and liable to punishment.

Senator BEST (Victoria) [3.28].—I have dealt with the amendment in its original form, and I now intend to add only a few remarks in regard to Senator Symon's last comment on the present form of his proposal. I have already endeavoured to show that this clause cannot possibly have any retrospective meaning, because "or is" makes it clear that an offence can only commence on the passing of the Bill, and the words "with intent" imply something done in the future. "Intent" cannot relate to any prior act, but must necessarily refer to the future. Senator Symon contends that if the words "or is" are permitted to remain, there will be the possibility of an innocent man being attacked immediately.

Senator O'KEEFE.—That possibility always exists.

Senator BEST.—As a matter of fact, every one of us is liable at any moment to have an information sworn against us for an act of which we may be absolutely and completely innocent. It appears to be contended, however, that under the Bill there is some special facility—a facility which I cannot quite comprehend—for some rival in trade or a member of the public to prosecute an innocent individual. That could only be done by an unfair or improper conspiracy with the Attorney-General, because before a proceeding of that kind could be taken, his consent must be obtained in accordance with clause 14. My honorable friend has suggested that an Attorney-General might be so utterly wanting in a knowledge of his duty to the public and to justice, as, upon the passing of the measure, to go so far as to authorize a prosecution against an individual.

Senator GUTHRIE.—He would have to do it if a *prima facie* case were made out.

Senator BEST.—Does my honorable friend think for a moment that if, on the day the Act came into operation, he were to tell the Attorney-General that a man was a member of a combination, the Attorney-General would be so oblivious of his duty to the public as not to give that man warning to clear out of the combination as rapidly as possible, or else to take the consequences?

Senator STANFORTH SMITH. — What harm would it do to leave out the words "or is"?

Senator BEST.—The object of the Bill is to make it an offence for a man to be a member of a combination formed for the purpose of doing injury to an Australian industry. That is the class of combination which we are seeking to punish. Ever since last session, a warning has been given to persons engaged in such combinations, that not much longer would they be permitted to be members thereof. The terms of the Bill are generally well known. One provision is that if a man is a member of a combination formed with intent to do injury to Australian industry, he must clear out of it at once. The measure can only apply to something which is *in futuro*, because it will operate from the time when it is assented to. Under clause 14, a prosecution for an offence created by the Act must be initiated by the Attorney-General, or by some person authorized by him. Consequently, the dire consequences to which my honorable friend referred could not ensue. If a person went to the Attorney-General immediately after the Act was brought into operation, and expressed a desire that a prosecution should be commenced against a man, the Attorney-General would at once reply, "We must give the man reasonable time in which to retire from the combination, and if he should fail to do so, then I shall authorize a prosecution." The Attorney-General would have to be a party to each prosecution, and if he did wrong he would be responsible to Parliament.

Senator O'KEEFE (Tasmania) [3.35].—I could understand Senator Symon wishing to have the words "or is" omitted if he adhered to his original intention of seeking to omit the words "or continues to be a member." His main desire in seeking to have the words "or is" omitted is to prevent an innocent person from being brought before a Court, and having his business disarranged. Surely he must re-

cognise that under every Act of Parliament innocent men may be prosecuted.

Senator Sir JOSIAH SYMON.—My objection is that, in this case, a man may be proceeded against who has entered into a so-called improper arrangement whilst still innocent of any intent to do wrong.

Senator O'KEEFE.—I cannot see what difference it can make to the man's intention if we omit only the words "or is." If to-day a man is a member of an injurious combination, immediately the Bill is brought into force he will know that he is a member of an unlawful combination.

Senator Sir JOSIAH SYMON.—But the moment the Act came into force he would be liable to a penalty.

Senator O'KEEFE.—Only if he continued in the unlawful combine.

Senator Sir JOSIAH SYMON.—If the clause said "is and continues to be," it would be different; but it says "is or continues to be."

Senator O'KEEFE.—To my mind the one is exactly the same as the other.

Senator Sir JOSIAH SYMON.—If my honorable friend reads "or" as "and" his argument is perfectly sound.

Senator O'KEEFE.—The man would simply have to retire from the combination, or run the chance of being prosecuted, and if prosecuted he would have to prove his innocence. I cannot see how the amendment could give greater security to an innocent trader. As Senator Keating, who is a lawyer, desires the words to remain, I will support the clause as it stands.

Senator DE LARGIE (Western Australia) [3.40].—If I thought for a moment that there was the possibility of such a danger as Senator Symon has pointed out, I certainly should support his proposal. But I cannot imagine any Government being so unreasonable as to proceed against a combination which was in existence on the day when the measure was assented to. If the Government were to dare to strain an Act of Parliament in that way, the people would be up in arms at once. Moreover, the consent of the Attorney-General would have to be obtained before any action could be taken. We know that there are in existence certain agreements which should be brought to an end as soon as possible.

Senator Lt.-Col. GOULD.—What are they?

Senator DE LARGIE.—In my speech last night I mentioned the case of the shipping ring. Before the Navigation Commission, members of the Chambers of Commerce in the principal cities of Australia declared that the enforcement of the rebate system by that ring was equivalent to holding a pistol at their head, and that it acted so unfairly that they were obliged to do things which they did not desire to do. We wish to put an end to any agreement of that sort. The evidence of the witnesses to whom I have referred ought to carry some weight with honorable senators, because they have suffered from the existence of the agreement. Some merchants declared that the rebates had been retained for a period of two years and a half, and that at the end of that time they were not forthcoming. If I thought that, immediately the Bill was assented to, there was likely to be a proceeding taken against the shipping ring, although it is acting in a very unfair manner, I should still support the proposal of Senator Symon. But I do not believe that any Government would be so unreasonable as to take an unfair advantage of any one who happened to be in that position.

Senator Lt.-Col. GOULD (New South Wales) [3.42].—My vote will always be given against retrospective legislation of the character which has been indicated by honorable senators. It may be that there are in existence certain combinations with intent to injure the public; but the mere fact that a man was a member of such a combination not illegal when the Bill was assented to should render him liable to a prosecution upon its passage is entirely contrary to the principles on which the Legislature generally acts. Wherever it is intended to create a criminal offence, we ought to be very careful to see that the legislation cannot be regarded as retrospective in its operation. I share the view of Senator Symon as to the effect of the wording of the clause. It is perfectly true that, before a prosecution could be initiated, the sanction of the Attorney-General must be obtained. But are honorable senators going to place the Attorney-General, or any other Minister, in the position of an arbiter, with the right to say whether the law should be put in motion or not? Suppose a man were guilty of an offence. Is the Attorney-General to say, "Well, although the man has been guilty, I shall not permit a prosecution"? If he were placed in that position he would be prac-

tically above the law. When representations were made to the Attorney-General, it would be his duty to ascertain whether a *prima facie* case had been made out, and, if so, not to take it upon himself to say whether punishment should be meted out, but to say that the Court should determine his guilt and what punishment should be awarded. We have been told that the Attorney-General would be unworthy of his position if he were to allow a prosecution to take place simply because, at the time of the passing of the Act, a man happened to be a member of a combination. The Bill, however, provides that the man shall be liable to a penalty not exceeding £500, and the Attorney-General could not take it upon himself to say whether it should be inflicted or not. But let us assume, for the sake of argument, that he could do so. In what position would he then be placed? To one man he could say, "I am not going to prosecute you," and to another, "I intend to prosecute you." Would it not open the door to corruption and political persecution? It is said that, if a man were a member of a combination the day before the Act came into operation, and had then got out, he would not be liable to the penalty. But is not the offence really the continuation of membership of a combination? If we use the phrase "any person who is, and continues," we should achieve the object which is desired by the Minister. Otherwise, it would be left to the Attorney-General to determine in each case what should be done. There is now before Parliament legislation which is alleged to have been introduced simply because of the importance and influence of a particular firm of manufacturers. The allegation may or may not be true, but still it is made. Our desire should be to prevent the possibility of imputations being cast upon the purity of Ministers. The Bill adopts certain official means to convict people of intentions. We are abandoning an English principle that has always been supposed to be imbued in our very blood — the principle that no man is to be held to be guilty unless his guilt is proved. It has always been held to be better that twenty guilty persons should go free than that one innocent person should be convicted. But under this Bill the guilt of a person is to be inferred unless the contrary is proved. Then turn to the provision defining "Commercial Trust." It is very wide. It is intended to be wide. I do not suppose that it is as

wide as some people imagine it to be, but still it may be effective against combinations that are managed by a board of directors possessing somewhat extensive powers. I do not say that the clause would extend to such a body, but it is arguable that it might. It is to be assumed against persons who belong to a commercial trust that, because of their membership, their competition is unfair. It is a monstrous proposal, and one that is absolutely wrong. I say also that a Bill containing such a provision as that relating to the disorganization of industries penalizes honest men. I have no sympathy with the dishonest man who deliberately sets to work to injure the public. But I do say that we should be exceedingly careful in our legislation not to do anything which will penalize a man for a perfectly legitimate act. We should remember that we are dealing with novel legislation, embodying new ideas. We are constantly interfering with commerce. We are putting it in handcuffs and chains. A mercantile man can hardly move in any direction without being confronted with some legislation affecting his business. There are honorable senators who condemn this Bill, but who nevertheless voted for its second reading.

Senator MCGREGOR.—We are not dealing with the second reading now.

Senator Lt.-Col. GOULD.—I do not blame the honorable senator, because he is a supporter of the Bill. He is entitled to his own opinion. But I do blame those who have strongly condemned the Bill and yet supported it by their votes. If the Minister in charge of the measure is not prepared to accept the amendment moved by Senator Symon to strike out the words "or is," he might accept an amendment making the word "or," where it appears for the second time, read "and," so that the clause would read—

Any person who . . . is and continues to be a member of or engages in any combination.

Senator O'Keefe has told us that he reads the clause as meaning what I have just read. But, after all, we must bear in mind that the words are capable of a different construction. I think that if my suggestion is accepted the object which the Government has in view will be met, and the Bill will carry out its purpose, whilst at the same time it will not punish a man because he may happen to be in a combination at one moment, though he may

get out of it the next. The Minister will not be injuring the Bill by accepting the amendment, but he will get over a difficulty that may become a real live subject of trouble in the future.

Senator KEATING (Tasmania—Honorary Minister) [4.0].—I may point out to my honorable friend who has just resumed his seat, and to other honorable senators, that the clause as at present framed makes it an offence for a man not merely to be in a combination formed for certain purposes regarded as mischievous, but to continue to be in it. The words "continues to be" in the clause would cover such a case as this: We will assume that there is in existence at the moment when this Bill becomes law a combination carrying on operations of a character which we regard as mischievous. The Bill will have no legislative effect upon any prior action that may have been taken by any individual member of such a combination. But the words "continue to be" throw upon every individual member of such a combination the obligation to get out of that combination the moment the Bill becomes law. If a man does not get out he "continues to be" a member. Take the case of a combination that may be hereafter formed, but is not in existence at present. If before you can prove the guilt of a man who enters into such a combination you have not merely to prove that he is a member, but "continues to be" in that combination, it is quite possible that you would hardly ever be able to secure a conviction. Who is to determine what continuity is? Is it to be continuity for the space of a day, two days, or three days? We can measure continuity in the case of an individual who is a member of a combination before the passing of this Bill. That continuity is measured by extending over the point of time that separates the Bill from the Act—that is to say, the point of time when the Bill becomes law. But a man may be a member of a combination one day, and get out of it the next.

Senator Sir JOSIAH SYMON.—The honorable senator is overlooking the fact that that is provided for. The Bill provides for any man who engages in a combination. The moment he does so he is liable.

Senator KEATING.—In framing legislation of this kind, we try to meet every conceivable set of circumstances. If an information were laid against a man—

notwithstanding the fact that we propose to take away certain safeguards which Senator Gould says always surround an accused in a Court of criminal jurisdiction—still, wherever those safeguards were not removed the measure would have to be construed most strictly against the Commonwealth, and most favorably to the accused. We make all these sets of circumstances offences—the making or entering into the combination, the continuing to be a member of the combination, and the engaging in the combination. All of them are separate offences. Why do we use those different terms? Simply because of the peculiar sets of circumstances we have to deal with. Some isolated cases may be such that even when a prosecution was instituted the Court would not feel warranted in coming to a conclusion if these words were not left in.

Senator MCGREGOR.—The Minister wants to stop the coach and four from being driven through the measure.

Senator KEATING.—We want to leave no loop-hole of escape for any individual who engages in any combination which is calculated to injure an existing Australian industry. I think, therefore, that honorable senators will see that it is necessary that we should have words making it an offence for a man actually to be a member of a combination which is guilty of the practices defined. Let us assume that the Bill has become law, and that an individual is being prosecuted. Suppose that the information laid against him is that he is a member of a combination which operates in restraint of trade and commerce. It would be necessary, in order to sustain the prosecution, to prove that he was a member of the combination. If we are going to strike out the words "or is," and simply leave in "continues to be," how should we have to prove continuance? We could not determine how long the continuance was to last. What we want to prove, however, is that a man "is" a member of a combination. We are striking at the men who enter into combinations. We are not going to pass this legislation on the assumption that there will be no further attempts to form combinations. The clause as it stands is designed to strike also at those who remain members of existing injurious combinations which continue after the Bill becomes law, and I think that it had better be adopted in its present form.

Senator DRAKE (Queensland) [4.7].—The meaning of "combination" is not quite clear. The word is not defined. "Commercial Trust" is defined, but "combination" is not. This is the first operative clause in which the word "combination" appears. If we are not quite clear about the meaning of a word in a Bill it is always a good principle to strike it out. The more ambiguous are the words used in an Act of Parliament the greater the trouble afterwards. There is no reference to "combination" in the Sherman Act. The word appears to me to be unnecessary. If the meaning of the clause is that persons who enter into a particular kind of contract should come within this particular clause the word is not needed. The clause reads—

Any person who either as principal or agent makes or enters into any contract . . .

That is complete in itself. A person who entered into this particular kind of agreement with a certain intent, would be guilty of an offence; and there is no necessity for dragging in the reference to a combination. All that is necessary is to insert the words "or remains a party to the contract."

Senator PEARCE.—The very first section of the Sherman Act contains the word "combination."

Senator DRAKE.—That is so. But honorable senators will see that there is no necessity for the reference to a combination, because the offence is complete if a person enters into a contract with intent. As I read the clause, a combination means a combination between the persons who enter into the contract, and a person who afterwards entered into a contract with intent would be guilty of an offence. Senator Keating said that we have to contemplate the making of a contract afterwards; and that is quite true. But sub-clause 2 provides that any contract entered into in contravention of the clause will be absolutely illegal and void; so that provision is made for contracts entered into after the passing of the Bill. I do not see the use of the words in regard to combinations, unless the Minister is going to contend that a combination is something which goes further than a contract between persons to do certain things. I should be glad to be shown the difference between a combination and the entering into a contract.

Senator Sir JOSIAH SYMON (South Australia) [4.15].—The discussion has, in the hands of some honorable senators,

drifted a little wide of the amendment before the Committee. But I do not think the time has been mis-spent; on the contrary, this being a penal enactment, both Senator Keating and Senator Best have pointed out that such an enactment is construed most favorably to the defendant. I originally moved to strike out "or is or continues to be a member"; and then the Minister of Defence pointed out that the intention of the Government was not to penalize persons who happened to be engaged in a combination—assuming the word to have the meaning ascribed to it by the Minister—at the moment the Bill was passed, but to penalize those who remained or continued to be members. Senator Keating adopts the same view, that the clause is to meet the case of those who remain in existing combinations, or who join combinations subsequently organized. With that view I agree; but when the Minister of Defence pointed out what was the desire of the Government, I thought I made it perfectly clear that I recognised the force of the distinction. In order that honorable senators might have the view of the Minister clearly before them, I temporarily divided the amendment, but did not abandon or qualify the position I took up, that the whole of the words ought to be eliminated as unnecessary. I thought the Minister would have consented to the elimination of "or is," and then have relied on what I admit was a fair argument, not wanting in force, that we ought to reach those who remain or continue in combinations previously established. Senator Best advanced the very sound reason, from the prudential stand-point, that nobody will be likely to suffer, seeing that prosecutions will not be initiated without the consent of the Attorney-General. I am not going to discuss that provision now, but merely to deal with the particular argument offered to the Committee. One of my strongest objections to the Bill is, however, that it imports political considerations and political influences, which are distinctly disadvantageous in a measure affecting trade and commerce. I would rather leave it to the unrestricted action of those who might wish to protect the public or themselves, or any particular trade or industry, than I would put it in the power of an Attorney-General of one particular political complexion to direct a prosecution, or of an Attorney-General of another political complexion to refuse one. The less we bring proceedings of whatever kind within the scope of political influences

Senator Sir Josiah Symon.

and considerations the better. This is not like the case of a magistrate who listens to evidence, and decides that there is a *prima facie* case; a prosecution will be ordered on the mere *ipsi dixit* of the Minister of the day, and we cannot disguise from ourselves the influences and considerations that may be brought to bear. While I frankly admit the force of what has been said, that does not affect the question whether or not we are to make this clause applicable to a person who is presumably an innocent member of a combination that was perfectly fair up to the passing of the Bill. As Senator Drake pointed out, we have a precedent in the Sherman Act, which uses words that are perfectly clear and sufficient. I am not certain that the words "or engages in a combination" are not sufficient to deal with existing combinations which are subsequently continued. A person who "engages" in trade is not one who merely enters into trade; he may have been in trade before the expression is used regarding him, and he continues in trade if he engages in it. I am afraid that, in the desire to extend the net widely, and to bring everything within the scope of the enactments, a great many unnecessary words have been used. It is laudable to insure that no leakages shall occur, but I know from experience that when unnecessary words are used, particularly in a penal enactment, the object in view is very often defeated. The Sherman Act, on which this Bill is founded, provides that—

... every contract, combination, in form of a trust or otherwise—

showing what is aimed at—

or conspiracy—

That is what it amounts to—conspiracy with intent to injure or restrain trade, which is punishable at common law—

in restraint of trade or commerce to be illegal; every party thereto, guilty of a misdemeanour.

What could be more clear? In the clause under discussion more words have been used, without imparting any additional force. The Sherman Act goes on—

or engaged in any such combination or conspiracy, shall be deemed a misdemeanour.

That is all. In the Bill, however, we interpose the words "or is or continues to be a member of," which I regard as unnecessary, and likely to lead to confusion. The intention is good, but the effect of these words may be to make the Bill less workable than we should desire in crushing out mischievous monopolies. Lawyers have been

taunted by Senator Playford with "weaving a web"; but it is the language used in the Bill that is the web. I merely wish to call attention to the fact that in temporarily withdrawing the amendment I do not recede for one moment from the objections which I expressed. I give the Minister of Defence credit for advancing arguments which are seriously worthy of consideration as to the second part of the provision; but as to the first part, honorable senators are asked to do something which I think they would not ordinarily be disposed to do. I agree with Senator Best, who has put his point of view very clearly, that the words may possibly relate to subsequent combinations; but that is not the intention. The word "engages" is intended to cover subsequent combinations, and also, as I think, the continuance of combinations. Why should we not adhere to the Sherman Act, and thus get the benefit of the great mass of decisions on the law in the United States? I trust that the Committee will eliminate "or is," or, if not, that the Minister will consent to substitute "and" for "or."

Question—That the words proposed to be left out be left out—put. The Committee divided.

Aves ...	...	...	10
Noes ...	...	...	15
Majority ...	...	...	5

AVES.

Baker, Sir R. C.	Pulsford, E.
Drake, J. G.	Symon, Sir J. H.
Gould, A. J.	Zeal, Sir W. A.
Macfarlane, J.	
Millen, E. D.	Teller:
Mulcahy, E.	Smith, M. S. C.

NOES.

Best, R. W.	McGregor, G.
Croft, J. W.	Playford, T.
de Largie, H.	Stewart, J. C.
Findley, E.	Story, W. H.
Guthrie, R. S.	Styles, J.
Henderson, G.	Turley, H.
Higgs, W. G.	Teller:
Keating, J. H.	Pearce, G. F.

PAIRS.

Clemons, J. S.	O'Keefe, D. J.
Gray, J. P.	Trenwith, W. A.

Question so resolved in the negative.
Amendment negatived.

Senator PULSFORD.—Is the Minister willing to accept the suggestion by Senator Gould to alter "or" to "and"?

Senator PLAYFORD.—I prefer to leave the clause as it stands.

Amendment (by Senator STEWART) proposed—

That the words "among the States," lines 5 and 6, be left out, with a view to insert in lieu thereof the words "within the Commonwealth."

Senator PLAYFORD (South Australia—Minister of Defence) [4.28].—I would point out to the honorable senator that in using the words "among the States" the Government have followed the language of the Constitution. That course, in my opinion, is the preferable one.

Senator Sir JOSIAH SYMON (South Australia) [4.29].—I would direct the attention of the Minister to the fact that in the very next clause the words "within the Commonwealth" are used, showing a departure from the language of the Constitution. What earthly reason is there for not making clause 4 equally extensive?

Senator BEST.—There is a very obvious reason.

Senator Sir JOSIAH SYMON.—I can see none. Unless there is some reason for making the difference, the two clauses ought to be put on the same footing, because in the Bill we are dealing with "trade and commerce with other countries and among the States."

Senator PLAYFORD (South Australia—Minister of Defence) [4.31].—I asked Senator Symon to explain how it is that the Constitution empowers the Parliament, in paragraph 1. of section 51, to deal with "trade and commerce with other countries and among the States," and in paragraph xx. to deal with "foreign corporations and trading or financial corporations formed within the limits of the Commonwealth"? In clause 4 of this Bill we exercise the power which is granted by paragraph 1. of section 51, while in clause 5 we exercise the power which is granted by paragraph xx. of that section. In each case the clause follows the wording of the legislative power. Therefore, my contention is right all through.

Senator Sir JOSIAH SYMON (South Australia) [4.32].—My honorable friend has frequently said that he was a layman, and did not understand legal questions. What he is dealing with here is restraint of trade. What he intends to stop is the trade in which certain persons are engaged, and that, of course, must be "trade or commerce with other countries or among the States." We can deal with that point when clause 5 is reached. Certainly, the amendment of Senator Stewart is just as proper as the enlargement of the words in clause 5.

Senator BEST (Victoria) [4.33]. — I totally differ from Senator Symon. I shall be very glad to go elaborately into the constitutional question on clause 5, if he so desires. The reason why different verbiage is adopted in regard to clauses 4 and 5 is because in each case the draftsman has adhered to the wording of the legislative power in virtue of which it is drawn. Clause 4, for instance, is the enactment of a provision under paragraph 1. of section 51, while clause 5 is an enactment of a provision under paragraph xx. of that section.

Senator Sir JOSIAH SYMON.—And paragraph 1.

Senator BEST. — My honorable friend may, if he likes, bring to his aid one or both; but, as a matter of fact, the provisions contained in clauses 5 and 8 of the Bill are authorized by paragraph xx. of section 51.

Senator Sir JOSIAH SYMON.—Have they not reference to the trade and commerce power?

Senator BEST.—Not necessarily. My contention is—and I have some authority, if it is wanted—that under paragraph xx. of section 51 we have power to do everything which is mentioned in clause 5, quite irrespective of paragraph 1. But, as a matter of fact, the draftsman has brought to his aid both legislative powers.

Senator STEWART (Queensland) [4.35]. —The reason for the difference in the verbiage of the two clauses may be obvious to the legal mind; but certainly it is not obvious to my mind. What is obvious, however, is that, if clause 4 be passed as it stands, we might as well throw the Bill into the waste-paper basket. It would be a direct invitation to any monopoly to outwit the law by simply establishing in each State an agency which would have an instruction not to trade with any person outside its limits. If, according to the Constitution, it were incumbent upon us to take up that position, I could see some force in it. But, if we turn to clause 5, we find that a trading or financial corporation formed within the Commonwealth cannot do anything with intent to destroy or injure trade within the Commonwealth. Why do the Government assume over a corporation, foreign or local, a power which it does not assume over a person who is either a principal or an agent? I do not intend to take any part in placing upon the statute-book a measure which could be so easily evaded. So far as I understand the purposes

of clause 4, the Constitution does not know any of the States. The Commonwealth is one area, and practically the State boundaries do not exist. If that were not the case, each State could establish a Customs House at its borders. So long as it did not interfere with Inter-State trade, it could put the territory within its boundaries in any shackles or bonds it pleased. Surely the framers of the Constitution never contemplated anything so stupid as that! In any case, the words of my amendment are embodied in clause 5. Why then, should they not also be inserted in clause 4?

Senator PEARCE (Western Australia) [4.40].—I think that Senator Stewart is unduly worrying himself, because the two clauses are aimed at the same thing, and that is the repression of monopolies. In clause 4 we are exercising the trade and commerce power, and the Government have naturally adhered to its wording. But, in order to cope effectively with monopolies, it is necessary to take power to deal with a company which appoints an agent within a State. Clause 5 is designed to meet a case of that kind, and it is based upon paragraph xx. of section 51 of the Constitution. Under clause 4 it would be possible to get at a foreign monopoly even if established in only one State, because it would be engaged in trade with other countries. Surely an agent who obtained his goods from other countries would come under its purview. Will Senator Symon deny that the Melbourne agent for the Massey-Harris Company is an agent within the meaning of clause 4?

Senator Sir JOSIAH SYMON.—It all depends. Supposing that he buys the goods, that is not what is meant by "trade and commerce with foreign countries and among the States."

Senator PEARCE.—If the man buys the goods on his own account, he is a principal. But if he brings them as representing the maker he is an agent. In any case, he is engaged in commerce with other countries, and therefore comes within the scope of clause 4. Take the case of the sugar trust, which is located in Queensland, and has no works in any other State. That is a trading corporation, formed within the limits of the Commonwealth, and therefore is covered by clause 5. That is, I think, the case which Senator Stewart had in his

mind. If we were to alter clause 4 as he desires, it would be made practically a repetition of clause 5. In the two clauses as they stand, we are getting all the power which he desires to obtain, and in a constitutional manner.

Senator Sir JOSIAH SYMON (South Australia) [4.45].—Of course, there are objections, and I think strong ones, to Senator Stewart's amendment, just as I think that from the constitutional point of view there are very strong objections to clause 5. Senator Stewart said he could not believe that the Constitution was so very stupidly framed as to enlarge, by paragraph xx. of section 51, our legislative powers, so that we could prevent in a State a kind of commerce or arrangement which would be in restraint of trade locally in regard to a trading corporation, and we could not do it in regard to a combination of individuals. That strikes one at once as a very extraordinary position. The Constitution does not mean what Senator Best said. The Convention never intended anything of the kind. Paragraph xx. of section 51 has been grievously misunderstood. It is paragraph 1. alone which gives the Parliament power to deal with trade and commerce, and that power is limited to trade and commerce with other countries and among the States. It does not give power to interfere with trade or commerce within the limits of a State. It was never intended that it should be given. Whatever legislation may have to be adopted in regard to restraint of trade within the boundaries of a State, must emanate from the State Parliament alone. It has been said that paragraph xx. of section 51 enlarges the power contained in paragraph 1., so that where we have a trading or financial corporation or a foreign corporation, we can interfere with trade within the limits of a State. It does nothing of the kind. The only effect of paragraph xx. is to enable the Commonwealth Parliament to make uniform companies laws. It was introduced in order to enable this Parliament to pass companies laws which would be applicable throughout the States, and give a status to foreign corporations as well as to local trading and financial corporations. We could by the exercise of this power create these legal entities. Instead of persons, we have foreign corporations or local trading and financial companies. How are they to trade? The

moment we deal with such bodies in that connexion we act under paragraph 1. of section 51, and we can only legislate with regard to their operations with other countries and among the States. That, I assert emphatically, is what the Convention intended, and what the Constitution says.

Senator DE LARGIE.—If the honorable and learned senator will refer to section 98 he will find an exception to that.

Senator Sir JOSIAH SYMON.—That is because of the navigation laws, which must be uniform throughout the Empire. Trade and commerce are dealt with in paragraph 1. of section 51. Then in section 98, with regard to two subjects, the provision of paragraph 1. of section 51 is extended—that is to say, with regard to navigation and shipping, and also with regard to railways the property of any State. But the only power we have to deal with trade and commerce is in respect of trade and commerce among the States and with other countries. If that is what is relied upon to give us power to deal with corporations as we cannot deal with individuals, it will be found to be a broken reed. Obviously so; because, as Senator Stewart has indicated, and I affirm that he is right, this means that we should not be able to deal with individuals acting in restraint of trade within a State, but should be able to deal with a trading corporation. How grossly unfair that would be! We must have uniformity. Clause 4, dealing with trade and commerce within a State or outside the Commonwealth, applies to individuals, as well as to corporations and firms. So it should. If we wish to stop monopolies we should stop them, whatever cause them, whether individuals or corporations. But it is admitted that we cannot do that within a State, because paragraph xx. of section 51 of the Constitution only applies to foreign corporations and trading and financial corporations. All that they would have to do would be to say, "We will resolve our corporation into a combination of individuals, and then you cannot stop us." The thing is ludicrous on the face of it. I should be ashamed of any construction of the Constitution which led to such a result as that. Senator Best, than whom no one in the State of Victoria is better acquainted with companies law, knows that every State has its own companies laws, and fixes the status of foreign corporations within its limits. The

Constitution having said that that ought to be done by the Commonwealth, the only effect is to enable a foreign corporation to be registered as a Commonwealth corporation instead of as a State corporation; and our only power of interfering with such corporations is that given to us by paragraph xx. of section 51.

Senator BEST (Victoria) [4.54].—The Committee is entitled to listen with the greatest respect to anything urged by my honorable friend Senator Symon, particularly in regard to a constitutional point, he having had the advantage of being a member of the Convention which ultimately framed the Constitution as we have it to-day. But in attempting to construe the Constitution we are obliged to eliminate from consideration every debate that took place in regard to it while it was being evolved. We have to cast aside every expression of opinion at the Convention. As a matter of fact, the High Court has held that in construing the Constitution it has no right, for judicial purposes, to look at the Convention debates, although for historical reasons it is justified in turning to the various stages of the Bill as considered by the several Conventions. The High Court has drawn that distinction. Although even an anomaly may be created by the terms of the Constitution itself, it has to be construed exactly as we find it. That principle of judicial construction of Acts of Parliament is constantly applied in the Courts, where sometimes it leads to hardship, and even to a degree of absurdity. But the Courts will, of course, endeavour to reconcile every section of an Act of Parliament, and, so far as they can, will give to all the sections the most intelligent meaning they can be made to bear. We have to see exactly what the Constitution as we find it worded to-day, and as the Courts have to construe it, actually provides. Section 51 of the Constitution is generally governed by the words—

The Parliament shall, subject to this Constitution, have power to make laws for the peace, order, and good government of the Commonwealth with respect to.

Then follow thirty-nine paragraphs. According to my view, for the purpose of construing each one of those thirty-nine paragraphs, the Court is justified, if it so desires, in reading each independently, and even in not looking at the other thirty-eight. The principle followed by the American Courts is to look to each paragraph which

confers jurisdiction, and give to each the widest meaning and the fullest construction. It will even read them independently. I am not announcing any views of my own. I am announcing the views of the highest authorities of the United States, and views which have been laid down in judicial decisions. My first point is, therefore, that each paragraph can be read independently, being covered by the opening words of section 51, which I have quoted, and being also affected by paragraph xxxix., which reads—

Matters incidental to the execution of any power vested by this Constitution in the Parliament or in either House thereof, or in the Government of the Commonwealth, or in the Federal Judicature, or in any department or officer of the Commonwealth.

That is to say, Parliament has power to make laws "for the peace, order, and good government of the Commonwealth," with regard to each matter mentioned in the paragraphs of section 51, and also under paragraph xxxix., with respect to matters incidental to the execution of any power vested by the Constitution in Parliament. That is my first important point—that Parliament has the widest and fullest jurisdiction to deal with every subject mentioned in the thirty-nine articles. My second point is that where the Constitution intends any limitation we must find that limitation within the paragraph itself. For instance, there is a limitation in paragraph 1., which says that Parliament may make laws with respect to—

Trade and commerce with other countries and among the States.

There is a limitation in that paragraph outside which we must not go, although, as Senator de Largie has said, the power is further extended by section 98. The draftsman in preparing this Bill, adopted the actual words of the Constitution in clauses 4 and 6, because he recognised that we are prevented by the terms of the Constitution from dealing with any person trading within a State because of the limitation in paragraph 1. Then, in framing clauses 5 and 8 of the Bill, the draftsman saw that we had more extended powers; because Parliament may make laws with respect to—

Foreign corporations and trading or financial corporations formed within the limits of the Commonwealth.

It will be observed that there are no limitations whatever in regard to these words. We therefore have, according to my view,

to give the fullest and most extensive meaning to them. Senator Symon has urged that that provision was only intended to insure uniformity in companies law. It is a singular thing, however, that the various Conventions, in dealing with this clause, modified it considerably. In Quick and Garran's *Annotated Constitution*, page 604, there is the following historical note:—

51. (xx). Foreign corporations, and trading or financial corporations formed within the limits of the Commonwealth:—

Historical Note—"Status of corporations and joint stock companies in other colonies than that in which they have been constituted" was a subject which might be referred to the Federal Council under the Act of 1885.

In the Bill of 1891 the sub-clause was worded—"The status in the Commonwealth of foreign corporations, and of corporations formed in any State or part of the Commonwealth." In Committee Mr. Munro and Mr. Bray suggested that there should be power to prescribe a uniform law for the incorporation of all trading corporations; but Sir Samuel Griffith thought it unnecessary. (Conv. Deb., Syd., 1891, pp. 685-6).

At Adelaide the sub-clause was drawn as follows:—"Foreign corporations and trading corporations formed in any State or part of the Commonwealth." In Committee the words "or financial" were added. (Conv. Deb., Adel., pp. 793-4). At Melbourne, after the fourth report, the words "within the limits of the Commonwealth" were substituted for the words "in any State or part of the Commonwealth."

Then, of course, we got the Constitution in its present form. I will admit that, if paragraph xx. of section 51 stood in its original form—

The status in the Commonwealth of foreign corporations and of corporations formed in any State or part of the Commonwealth,

the contention of my honorable friend Senator Symon would be completely correct. But, as a matter of fact, the Convention rejected that limited conveyance of jurisdiction.

Senator Sir RICHARD BAKER.—By what was considered to be one of the drafting alterations.

Senator BEST.—I do not care whether it was a drafting alteration or otherwise. My contention is that, if status had been meant, and it had been intended to limit the paragraph to status, that word would have been inserted. But instead of that the Convention declared that it would not limit the jurisdiction to status.

Senator Sir JOSIAH SYMON.—It did nothing of the kind. Let the honorable senator read the debates.

Senator BEST.—The Court will not read the debates.

Senator Sir JOSIAH SYMON.—The Senate is not a Court.

Senator BEST.—But my honorable friend will realize that it is the Court that has to construe this provision of the Constitution.

Senator Sir JOSIAH SYMON.—The Court can always listen to the history of an enactment, although it would not be guided by the opinions of individuals.

Senator BEST.—The High Court expressly decided, in the case of Tasmania against the Commonwealth, that it could not take notice of what was said at the Conventions.

Senator Sir JOSIAH SYMON.—We had the debates read before the Court in South Australia the other day.

Senator MULCAHY.—Is it not our duty to legislate according to the terms of the Constitution?

Senator BEST.—We have an absolute right, according to my view, to legislate generally in regard to foreign corporations and trading or financial corporations formed within the limits of the Commonwealth, and not only in regard to their status.

Senator Sir JOSIAH SYMON.—Does the honorable senator think that the States would ever have consented to the Commonwealth interfering with trade and commerce within their respective limits?

Senator BEST.—That consideration is hardly relevant. What the States might or might not have done is beside the question. The question is, what are our powers under the Constitution? If it had been intended, as Senator Symon contends, to limit our powers in regard to foreign corporations and trading and financial corporations formed within the limits of the Commonwealth, to status, or the enactment of uniform laws, the Constitution would have said so, and the limitation would have appeared in paragraph xx. itself. Instead of that we have the widest and fullest words—

Foreign corporations, and trading or financial corporations formed within the limits of the Commonwealth.

I propose making a very short reference in support of my contention first, that we have the right to read each of these paragraphs independently; secondly, that the limitations must be conferred within the terms of each paragraph itself; and.

thirdly, that we have the right to give the fullest meaning to each of the paragraphs.

Senator MULCAHY. — Is the honorable senator not reading paragraph 1 into paragraph xx.?

Senator KEATING.—Why not read subparagraph xx. into paragraph 1?

Senator MULCAHY. — I am afraid that Senator Best is confusing the two paragraphs.

Senator BEST.—What I say is that, for the purposes of clauses 5 and 8, we depend on paragraph xx. alone.

Senator Sir JOSIAH SYMON. — Where is the power?

Senator BEST.—Under paragraph xx. of section 51 of the Constitution.

Senator KEATING.—The desire seems to be to subordinate paragraph xx. to paragraph 1.

Senator BEST. — I ask any honorable senator if he can see any limitation in the words of paragraph xx.—

Foreign corporations and trading or financial corporations formed within the limits of the Commonwealth.

There is no limitation there, and, consequently, according to American decisions, Parliament may legislate as it pleases in regard to foreign corporations and trading or financial corporations — we may limit and control their trade exactly as we like. I contend that that is in accordance with all the principles, and the construction, of the American Constitution. Why should the Senate limit itself in the exercise of its jurisdiction? When the Constitution confers, as it does, the right to deal with the subjects set forth in the various paragraphs of section 51, why not give the fullest meaning to the words, instead of limiting the meaning in the manner suggested.

Senator MCGREGOR.—Why is there not a limitation as in the case of insurance and banking companies?

Senator BEST.—I can illustrate what I mean by referring to half-a-dozen or more of the paragraphs of section 51 of the Constitution. For instance, paragraph 11. gives the power to make laws with respect to taxation, but there is the limitation—

Taxation; but not so as to discriminate between States or parts of States.

Then, in regard to banking, paragraph XIII. is as follows:—

Banking, other than State banking; also State banking extending beyond the limits of the State concerned, the incorporation of banks, and the issue of paper money.

Mark the limitations in every line. In regard to trading corporations, if the intention had been to cut our powers down, it must have been so expressed.

Senator DE LARGIE.—Does the honorable senator contend that the absence of limiting words gives a significance to paragraph 1 of section 51, so far as trade matters are concerned?

Senator BEST.—I say that the meaning of paragraph xx. is that we may regulate trading and financial corporations formed within the Commonwealth in relation to their trade and commerce, though the same be confined to any one State.

Senator KEATING. — Regulate all their operations?

Senator BEST.—Regulate all their operations, even although it should interfere with State legislation. I propose to read only a few lines on this question; and I first refer to *Notes on the United States Constitution*, in which, at page 77, there is the following:—

The powers conferred upon Congress must be regarded as relative to each other and all means to a common end; so when Congress has power to do an act by virtue of distinct powers it may exercise which it pleases; and when it professes to act under one it need not resort to any other, or when Congress has power to accomplish a certain result, indirectly by one mode, it may do so directly by another; but no power in itself substantive can be exercised, or contravened by action under an incidental power, nor can an act which cannot be done directly, because of defect in power, be done indirectly.

That seems to me to show very conclusively that Congress has distinct powers, and may exercise which it pleases, and in clauses 5 and 8 we have seen fit to exercise the powers given by paragraph xx. of section 51 of the Constitution. I should now like to refer to the volume *Treaty Making Power of the United States*, by Butler, page 59—

In this chapter it is intended to refer to certain instances in which the treaty-making power has been exercised to its widest extent, and far beyond any prerogatives expressly stated in the Constitution, and, possibly, in direct contravention of constitutional limitations, but in which it has also been determined by the Supreme Court that it was properly exercised.

The author goes on to refer to State legislation as controlled by treaty stipulations. In the United States the Federal authority has direct power to make treaties, and I desire to show that the exercise of this power extends even to the contravening of State laws, if the latter in any way interfere with the making of treaties.

As already shown the regulation of the descent of property, a matter wholly within the

local jurisdiction of the separate States, has been the subject of treaty negotiation and stipulations, with the result that State laws in regard thereto have been declared inoperative, so far as they conflict with treaty provisions; that condition, however, results from the fact that the United States, through the treaty-making power, directly controls State legislation pursuant to that clause in the Constitution which makes treaties the supreme law of the land; in this chapter it is intended to refer to matters which are not within the jurisdiction of any State, but which affect the people of the United States in their relation to the Federal Government.

This shows that the mere power to make treaties enables the central power to enter into treaties of such a character as to interfere with State laws; it shows the great extent to which the Courts, by giving the widest and most extended meaning, have carried the powers conferred by the United States Constitution. That must be so, because, otherwise, where is the limit to be drawn?

Senator KEATING. — It is for those who oppose the honorable senator to show exactly where the boundary of our power is.

Senator BEST. — Yes, to show us the boundary line.

Senator DOBSON. — The boundary line is that we cannot interfere with trade within a State.

Senator BEST. — But that is not provided.

Senator DOBSON. — That is the limit.

Senator KEATING. — Suppose we were passing a Companies Bill, where would Senator Dobson say the limit was?

Senator DOBSON. — We could do anything in regard to the regulation of companies, not going beyond paragraph 1 of section 51.

Senator BEST. — That is what the American Constitution and the decisions thereon show conclusively is not the case. According to those decisions, we are at liberty to read separately all the paragraphs conferring jurisdiction, and give them the widest and most extended meaning. In the report of the case of *Buckfield v. Strachan*, in the United States Reports, Vol. 192, page 470, is the following:—

Every intendment is in favour of the validity of a statute, and it must be presumed to be constitutional unless its repugnancy to the Constitution clearly appears.

In other words, this Bill, if passed, must be presumed to be right unless it is clearly against the Constitution. The report of the case proceeds—

The power of Congress to regulate foreign commerce, being an enumerated power—

In the same way paragraph 1 of section 51 is an enumerated power—

is complete in itself, acknowledging no limitations other than those prescribed in the Constitution.

Senator DOBSON. — It is prescribed in the Constitution; between the States is the limitation.

Senator BEST. — Senator Dobson must see that what this case decides is that each of the thirty-nine powers conferred by section 51 is complete in itself, and must be regarded as complete in itself, just as though the other thirty-eight were absent. In this case it was argued for the plaintiff that, the police power being within the control of the States, Congress could not exercise any jurisdiction involving police power. Later on, at page 492, we read—

The power to regulate commerce with foreign nations is expressly conferred upon Congress, and being an enumerated power is complete in itself, acknowledging no limitations other than those prescribed in the Constitution.

Senator DRAKE. — That is right.

Senator BEST. — Exactly; but the honorable senator ignores the fact that the power is complete in itself. Certain cases were quoted in support of that view.

Whatever difference of opinion, if any, may have existed or does exist concerning the limitations of the power, resulting from other provisions of the Constitution, so far as Inter-State commerce is concerned, it is not to be doubted that from the beginning Congress has exercised a plenary power in respect to the exclusion of merchandise brought from foreign countries—

Could anything be clearer than that?—

not alone directly by the enactment of embargo statutes, but indirectly as a necessary result of provisions contained in tariff legislation. It has also, in other than tariff legislation, exerted a police power over foreign commerce—

The police power being essentially a State power—

by provisions which in and of themselves amounted to the assertion of the right to exclude merchandise at discretion. This is illustrated by statutory provisions which have been in force for more than fifty years, regulating the degree of strength of drugs, medicines, and chemicals entitled to admission into the United States, and excluding such as did not equal the standards adopted.

Although it is within the power of the States to make police laws, and to limit the standard of drugs and so forth, yet Congress has the right to put aside the State powers so far as they interfere with the exercise of the central plenary powers.

Senator PULSFORD. — The honorable senator is not defending States rights.

Senator BEST. — I am defending the Constitution; I am arguing as to what our rights are under the Constitution. I challenge any honorable senator to point to any limitation in paragraph xx. by virtue of which the two clauses in the Bill have been framed. I have now the case to which I referred, in which it was held that we were not justified in referring in Court to the opinions of members of the Federal Convention. It is the case of *Tasmania v. the Commonwealth of Australia*. Chief Justice Griffith said—

We think that as matter of history legislation, the draft Bills prepared under the authority of the Parliaments of the several States may be referred to. That will cover the draft Bills of 1891, 1897, and 1898. But expression of opinion of members of the Conventions should not be referred to.

Senator DRAKE. — Putting the opinions on one side, the history of the particular paragraph shows what was intended.

Senator KEATING. — The history shows that at that time status alone was considered.

Senator BEST.—History, to which we are justified in referring, completely establishes my contention. The history of this legislation is that then status alone was referred to, whereas, when we come to the Constitution itself, we have the wider words which appear in paragraph xx.

Senator HENDERSON.—Which show the intention.

Senator BEST.—Exactly. We exercise our powers, not by the more limited words, but by the wider words. According to my view, honorable senators are justified in exercising to the fullest extent our powers in this connexion. I do not think that we should be deterred for a moment from doing so when we know that the object of the two clauses is to limit the improper and nefarious operations of corporations which have a special design upon Australian industries.

Senator Sir RICHARD BAKER (South Australia) [5.31].—Senator Best has laid down some rules for the construction of Statutes correctly, and others, I think, incorrectly. There are some rules to which he has not referred. One is that if the construction which is contended for a Statute leads to an absurd and ridiculous conclusion the Court will struggle against that construction. Does not the construction for which Senator Best contends lead to a ridiculous conclusion? He, in effect, affirms that if two corporations—one a

foreign corporation and the other a corporation registered in the State—are trading within the limits of a State, the laws of the Commonwealth may be applied to one but not to the other.

Senator BEST.—I never suggested that for a moment.

Senator Sir RICHARD BAKER.—That is what it comes to. It is admitted that we cannot apply Commonwealth laws to the trade of a corporation registered in a State when it confines its operations within the State.

Senator BEST.—I say most distinctly that we can deal with all corporations.

Senator Sir JOSIAH SYMON.—But not with individuals.

Senator Sir RICHARD BAKER. — It comes to the same thing. If a corporation trades alongside an individual in a State, and attempts to do the same kind of business, those two persons—for in law both are persons—have to trade under different laws, namely, one under Commonwealth law and the other under State law. Can it be supposed for a moment that the Convention ever intended a differentiation of that kind?

Senator BEST.—I do not care what the Convention intended.

Senator Sir RICHARD BAKER.—Where the construction of a Statute leads to an absurd conclusion, the Court will always try to put a common-sense meaning on the Act, or, as in this case, on the Constitution. When the Constitution Bill was introduced in the Convention of 1891—I was a member of the Convention of 1891 and of that of 1897-8—the words used were "The status in the Commonwealth of foreign corporations," and that phrase was not intended to be altered, nor was it ever altered, except as a drafting amendment. I contend that the framers of the Constitution undoubtedly did what they intended to do.

Senator BEST.—Does the honorable senator see the word "status" in paragraph xx.?

Senator Sir RICHARD BAKER.—It was taken out of the paragraph as a drafting alteration, but it is there in effect, although not in words. Undoubtedly that is what it means. I entirely agree with the contention of Senator Symon. The Senate is not a court of law, and we ought to adopt a common-sense meaning when we can. Is there anything in paragraph xx. of section 51 which prevents us from doing

so? It seems to me to be quite clear that our powers in relation to trade and commerce are limited to "trade and commerce between the States." I do not believe that the States would have agreed to accept the Constitution Bill if they had imagined for a moment that the Commonwealth could interfere in their internal affairs. I am an advocate of States rights, and I do not desire to speak at any length. Senator Best has spoken at great length, and used a great many arguments which seem to me not to bear upon the point at issue. As regards the power of the American Congress to regulate the strength of drugs which are imported into the United States what has that to do with the point under consideration? I do not see that it has any relevancy. No one doubts that this Parliament has the power to regulate the strength of drugs imported into the Commonwealth; the contrary is not contended for. I hope that the Committee will not so frame this Bill that it would be upset directly it was taken before the High Court, which, I feel sure, would be the result if Senator Best's view were adopted. I do not pretend to be an admirer of the Bill. If I wanted to make it null and void I should certainly vote with Senator Best. That would be the best course for the violent enemies of the Bill to take.

Senator BEST.—I should be prepared to take the risk.

Senator Sir RICHARD BAKER.—I do not wish to be a party to the passing of a Bill which I believe would be of no use, because the High Court would say that we had exceeded our powers. I hope that a common-sense view will prevail.

Senator DOBSON (Tasmania) [5.35].—I hope that Senator Stewart will withdraw his amendment, because, if adopted, it would reflect no credit upon the Senate. The speeches of Senators Symon and Baker are so clear that I cannot understand anyone doubting their statement of the law. I have in my hand an indirect authority on the question at issue. In his *Trusts in the United States*, Von Halle says—

What seems to the author indispensable for the beginning of an effective solution of the difficulties is, above all, a uniform commercial code, or at least a uniform corporation law for the whole United States. A uniform practice is indispensable, considering that the activity of the great enterprises has extended far over the boundaries of individual States. It can only be a question of time, until, by an amendment of the Constitution, the corporation law shall have been brought within the reach of congressional legislation.

It is quite true, as Senator Best has said, that the Constitution of the United States does not contain a provision empowering the Congress to exercise control over foreign corporations. But let us see what has led up to the paragraph I have quoted. It will be recollected by those who have read books on trusts that one of the greatest curses or evils of the trust system in America is that when a big meat company seeks to get rid of competition it sets to work to buy up every meat factory or canning company in the territory. It gives the different factories full market value, generally their own price, and issues to them preference shares for that amount. But in order to make a good thing out of the transaction, the big company issues millions of ordinary shares, for which there is no good-will or value. Of course, in order to pay a dividend on this enormously watered stock, the trust has to be run for all it is worth, and, therefore, it acts with that brutal tyranny and selfishness which we read about. Von Halle goes on to say—

No author has conceived better the meaning of the corporation problem for the Commonwealth than Henry C. Adams. He asks for *publicity*, publication of the results, and the ways in which they were reached, a control through public bodies, and a responsibility of the individual member of the administration of the corporation for the observance of the necessary restrictions. The leaders of the large companies have power and honour, but are not kept face to face with sufficient public supervision.

Senator Keating has said that it rests with us to show the limits of our legislative power in regard to foreign corporations. I contend that the Parliament has the power to enact any law in that regard. It is enabled to say that there shall be the most perfect publicity relative to different trading companies; also, that trusts shall not issue shares beyond a legitimate value, certified to by proper valuers, and shall publish the results of their dealings. It can lay down rules without limit in regard to the status and doings of companies.

Senator PLAYFORD.—It can say that they shall not do anything to the injury of Australian manufacturers, and so on.

Senator DOBSON.—Not when a company is trading within the limits of one State.

Senator PLAYFORD.—Surely if we can do the one thing we can do the other.

Senator DOBSON.—The limitation of our power in regard to trade and commerce is contained in paragraph 1. of section 51 of the Constitution. It is impossible for

any one to seriously contend that under that paragraph we have the right to regulate trade and commerce between the States, and that, under paragraph xx. we have the right to regulate trade and commerce within a State. As Senator Baker has pointed out, that would lead to an absurdity.

Senator PLAYFORD.—We have the power to regulate the action of corporations, and we are entitled to enact that they shall not do certain things which are detrimental to the public interest.

Senator DOBSON.—Will Senator Playford be good enough to answer Senator Baker's simple problem? Are we to understand that we cannot regulate the trade and commerce of individuals in any one State, but that we can regulate the trade and commerce of a company within that same State?

Senator PLAYFORD.—Certainly.

Senator DOBSON. — Then, as Senator Symon has pointed out, if a man wished to evade the law, all he would need to do would be to register himself with his uncles, cousins, and his aunts as a limited liability company.

Senator BEST.—He would still be subject to the law.

Senator DOBSON.—No.

Senator PLAYFORD.—He would come under the provision relating to trading or financial corporations.

Senator MULCAHY.—Senator Dobson has transposed the case which he wished to put.

Senator DOBSON.—I hope that, for the sake of our credit, the amendment will not be passed. I might give another illustration. The Bill provides in a later clause that a trust may not do anything to destroy an Australian industry or to lessen the rates of wages or to interfere with the hours of work. That provision is, I contend, *ultra vires*. Does the Minister say that we can regulate the wages which corporations may pay in a State, but cannot regulate the wages which individuals therein may pay? The absurdity of the differentiation is apparent at once. Every illustration which one can conceive of shows the unconstitutionality of an amendment of this kind.

Senator DRAKE (Queensland) [5.45].—I think that no more important question has ever come before the Senate than the point under discussion, because the Government is claiming that the Parliament has the right to interfere with trading corporations within a State.

Senator PLAYFORD.—Certainly not under clause 4.

Senator DRAKE.—Under the amendment.

Senator PLAYFORD.—We are opposing the amendment.

Senator DRAKE.—I also am opposed to the amendment. I most strongly object to the Parliament of the Commonwealth claiming the power to interfere with trade within a State. I feel perfectly certain that on a true interpretation of the Constitution our powers in regard to trade and commerce are limited by paragraph 1 of section 51, as extended by section 98 to shipping and navigation, and to railways the property of any State. I disagree with Senator Best's interpretation of our powers. The High Court has held, and, no doubt, would hold again, that the Constitution must be construed as a whole; that every provision must be construed as a part of the Constitution, and not separately. I am familiar with the class of American cases which Senator Best has cited. These are cases in which the question has arisen as to how far the plenary power of Congress over trade and commerce can be carried out in the United States. It has been held that all State laws must give way to the exercise of that power, which, of course, is given with only certain limitations. When we ask how the Government propose to get power with regard to trade and commerce in the case of corporations, we are pointed by Senator Best to paragraph xx. of section 51. If the construction of that paragraph were taken before the High Court, it would have to decide what was the meaning of its words at the time when the Constitution was assented to, and therefore it would consider the history of the provision, but it would not have any regard to the opinions expressed by individual members of the Convention. When we turn to the history of the provision, I think there cannot be the slightest doubt as to what was originally intended. It was one of the legislative powers intrusted to the Federal Council of Australasia under the Imperial Act of 1885, and it was granted in this form: "The status of foreign corporations, &c." In the Constitution Bill of 1891, the expression used is still the same as before, namely, the "status" of corporations. If there is any doubt in the minds of any honorable senator as to what was the meaning attached to the words in that year,

perhaps I had better quote the discussion on the provision in the National Australasian Convention on the 3rd April, 1891—

Sub-clause 19. The status in the Commonwealth of foreign corporations, and of corporations formed in any State or part of the Commonwealth.

Mr. MUNRO.—We have agreed to sub-clause 13, dealing with the incorporation of banks, and I do not see why a similar provision should not be made in regard to the incorporation of companies. Why should they not be under the control of Federal officers? At the present time the law as to incorporation is different in the different Colonies, and the result is extremely unsatisfactory in many cases. I do not see why we should not make the same provision in regard to the incorporation of companies as we have made in regard to the incorporation of banks. We might introduce at the commencement of the sub-clause words to this effect: "The registration or incorporation of companies."

Sir SAMUEL GRIFFITH.—I do not think we should. There are a great number of different corporations. For instance, there are municipal, trading, and charitable corporations, and these are all incorporated in different ways according to the law obtaining in the different States.

Mr. MUNRO.—But as to trading corporations!

Sir SAMUEL GRIFFITH.—It is sometimes difficult to say what is a trading corporation. What is important, however, is that there should be a uniform law for the recognition of corporations. Some States might require an elaborate form, the payment of heavy fees, and certain guarantees as to the stability of members, while another State might not think it worth its while to take so much trouble, having regard to its different circumstances. I think the States may be trusted to stipulate how they will incorporate companies, although we ought to have some general law in regard to their recognition.

Sir JOHN BRAY.—I think the point raised by the honorable member, Mr. Munro, is worth a little more consideration than honorable members seem disposed to bestow upon it. We know what some of these corporations are; and I think joint-stock companies might be incorporated upon some uniform method. In South Australia a banking company is not allowed to be incorporated under the Companies Act; still, there is nothing in Victoria, of which I am aware, to prevent a banking company from being registered there as a limited company, and opening a branch in South Australia a few days afterwards. I think it is necessary, therefore, to have some uniform law. There is nothing in which the public should have more confidence than in banks, which are in any way recognised by the State; and I think we should have some uniform system of incorporating banks. Many companies, although doing business under different names, are, in reality, banks.

Mr. MUNRO.—The banks are incorporated under the Companies Act in Victoria!

Sir JOHN BRAY.—You can establish financial companies, which you do not call banks, but which answer all the purposes of banks. We have provided that the Federal Parliament shall

legislate as to the incorporation of banks; but there is nothing to prevent the incorporation by the States themselves, quite apart from the Federal Parliament, of trading companies which will do all the ordinary business of banks. If it is desirable to intrust legislation as to the incorporation of banks to the Federal Government, there is no reason why we should not say that the registration of financial companies doing all the business of banks should be dealt with in the same manner.

The paragraph was then agreed to.

Senator BEST.—Was nothing said about foreign corporations?

Senator DRAKE.—I will read the paragraph—

The status in the Commonwealth of foreign corporations and of corporations formed in any State or part of the Commonwealth.

Senator PEARCE.—Our Constitution drops the word "status."

Senator DRAKE.—As Senator Baker has pointed out, that was merely a matter of drafting. I will now read to the Senate what took place at the Convention in Adelaide on this subject, when the provision came up in its altered form without the word "status." Honorable senators may judge for themselves whether there was the slightest intention to alter the meaning. In the Adelaide Convention debates of 1897, page 793, the following passage occurs—

Sub-section 22. Foreign corporations and trading corporations formed in any State or part of the Commonwealth.

Sir GEORGE TURNER.—With regard to this clause, we have already given power to deal with banking, and we are now giving power to deal with foreign corporations and trading corporations. I fail to see why we should limit the sub-section to trading corporations. There are financial institutions which are not banking institutions, and if we are going to give the Federal Parliament power to legislate with regard to banking, and with regard to trading corporations, we should go a step further, and give it power also to legislate with regard to financial institutions.

Mr. BARTON.—I do not know.

Sir GEORGE TURNER.—Building societies.

Mr. BARTON.—I think the present wording of the sub-section covers as nearly as may be the intentions of the Constitutional Committee, and really for the amendment, which is a desirable amendment, in the sub-clause as it stood in the Bill of 1891, we are indebted to my honorable friend, Mr. Isaacs, who put it in its present form.

Mr. ISAACS.—I suggested the word for temporary consideration.

Mr. BARTON.—I should like to be favoured with any arguments in favour of the suggestion.

Mr. DEAKIN.—We recently passed a law in our Colony which placed a strict limitation on the meaning of the word "banks," excluding from it particular kinds of financial companies which had hitherto been called banks, or treated as banks.

Mr. BARTON.—You mean that kind of financial company that went down so often.

Mr. DEAKIN.—We distinguish them from banks on the one hand and trading corporations on the other. We want to include all limited companies, because the class of companies I am speaking of deal with lands and with deposits, and they require to be carefully regulated.

Mr. McMILLAN.—You want to include everything outside private companies.

Mr. DEAKIN.—Especially land and finance companies, which caused so much litigation in the past.

Mr. SYMON.—In the original Act corporations simply are mentioned. Why this difference?

Mr. BARTON.—The reason of making the difference was this: It having been seen that the word "corporations," as it existed, covered municipal corporations, the term was changed to "trade corporations."

Mr. SYMON.—Why not simply use the term "company"? If you use that word it will be well enough understood.

Mr. BARTON.—Why not adhere to "corporation"? That governs everything under the Companies Act.

Mr. SYMON.—Why not leave out the word "trading"?

Mr. BARTON.—Or add the word "financial"?

Sir JOSEPH ABBOTT.—I move—

"To insert the word 'financial' before 'corporation.'"

Mr. BARTON.—Would it not be better to make it thus:

"Any trading or financial corporation."

So as to separate that branch from foreign corporations?

Sir JOSEPH ABBOTT.—I will consent to that, and move—

"To insert after 'trading' the words 'or financial.'"

Senator PEARCE.—No reason is given for leaving out the word "status."

Senator BEST.—Besides that, the Court cannot look at what was said at the Convention.

Senator DRAKE.—Can any one contend that the intention in dropping out the word "status" was to confer upon the Commonwealth the enormous power of interfering with trading relations within a State?

Senator BEST.—My honorable friend must see that the Court cannot go behind the Constitution.

Senator DRAKE.—The Court will have to say what the provision in the Constitution means.

Senator BEST.—Exactly; and it cannot look at the debates.

Senator DRAKE.—It can look at the debates, and in the case of Tasmania against the Commonwealth, the debates

were quoted at considerable length. What the Court says is that when it comes to give its decision it is not to be swayed or moved by the opinions expressed by individual members of the Convention. But the Court may, and will, go to the Convention debates to see what was said in order to enable it to arrive at the true meaning of words in the Constitution.

Senator BEST.—But the expression of opinions of members of the Convention could not be referred to.

Senator Sir JOSIAH SYMON.—They can be referred to to show the history of a piece of legislation.

Senator BEST.—Does the honorable senator say that the debates will be relied upon by the Court?

Senator Sir JOSIAH SYMON.—The opinion of Sir Edmund Barton or any individual member of the Convention amounts to nothing, but the history of how particular words came to be inserted or omitted is vital to the interpretation.

Senator DRAKE.—The portions of the debates which I have read are exactly what would be read to the Court, and the Court would learn from that passage what is the history of the paragraph in question. Reading that passage, we have no doubt as to the meaning of the provision. I think it is perfectly clear with regard to trading, as in many other matters, that the Constitution draws a clear and hard-and-fast line between what are Commonwealth interests and what are State interests; and nowhere in the Constitution is it provided that trading within a State is to be interfered with by the Commonwealth Parliament. It is almost incredible that it should have been intended that the Commonwealth Parliament should have power to interfere with trading operations by a corporation and not be able to enforce the same laws with regard to private persons trading in the same State, and probably in the same place. If the view of the Government were correct, we might have rival traders in a street, the one being a corporation and the other an individual; and we might have Commonwealth law imposing restrictions upon the trading corporation, but not touching the individual trader. Such a thing seems to me to be absurd. Senator Best wishes to put on one side the intentions of the framers of the Constitution, and to look simply at the words and say what they mean. Then my

honorable friend says that if there is an anomaly we must take it as we find it. I say no. If there is an anomaly in a Statute, the law will not allow some obnoxious regulation to be enforced upon a suffering people because of it. The Court will look past the anomaly to what was really meant. I am reminded of a case with regard to the construction of a Statute which would come, I think, under my honorable friend's rule. It was a case where a man wanted to import a quantity of bolts and nuts. He said that he was willing to pay duty on the bolts, but that nuts came in free, and he pointed triumphantly to the provision in the Tariff with regard to green fruits. The law will not be deceived by anomalies of the kind referred to. The Court will always look broadly at what was the meaning of the particular section. I have not the slightest doubt that in this case the Court could come to no other conclusion than that the power intended to be given to the Commonwealth Parliament was to do such things as were referred to by the framers of the Constitution during the Convention debates. They show us clearly and exactly what was intended to come within the scope of the particular paragraph of section 51 with which we are dealing. My contention is that with regard to trade and commerce we must be limited by paragraph 1., and that we have no power to interfere with corporations in regard to trade and commerce within a State.

Senator BEST.—The House of Representatives must have been exceedingly negligent in sending us such unconstitutional proposals!

Senator DRAKE.—That is no argument whatever. I myself was surprised. I did not know how the Bill was framed in this respect until Senator Best put forward his argument on the second reading. I was not aware of the view of the Government as to the powers possessed, and which are sought to be carried out in clauses 5 and 8.

Senator Sir RICHARD BAKER (South Australia) [6.1].—An inquiry has been made as to why the words "in any State" were left out of paragraph xx. of section 51 by the Convention. I have here the original records showing that 490 drafting amendments were brought down by Sir Edmund, then Mr. Barton, on the 16th March, 1898. They were signed by

myself as Chairman of Committees, and were passed *in globo* without any discussion whatever. The assertion was made that they were merely drafting amendments. One of those drafting amendments was to leave out the words "in any State or part," and to insert "within the limits of the Commonwealth."

Senator PEARCE.—The question was as to the omission of the word "status."

Senator Sir JOSIAH SYMON (South Australia) [6.4].—I wish to bear out what Senator Baker has just said, and also to say that the word "status" was treated by the Convention as an unnecessary word. If there was one thing which the Convention endeavoured to do very carefully it was to frame a Constitution as free as possible from unnecessary expressions. If Senator Best argues that paragraph xx. of section 51 gives us power to make laws dealing with the trade and commerce of the Commonwealth, whether in a State or not, would he apply the same argument to the next paragraph? We are there empowered to make laws with regard to marriage. Should we be able in our marriage laws to provide whether the married couple should carry on trade, and how they should carry it on within a State? The principle is exactly the same.

Senator BEST.—Surely not.

Senator Sir JOSIAH SYMON.—Surely it is. If we are to say that we have power to make laws, applicable within a State, with regard to trade and commerce because we have power to make laws with regard to foreign corporations and trading or financial corporations within the Commonwealth, surely we have equal power to make laws with regard to marriage.

Senator BEST.—I contend that the paragraphs must be read independently.

Senator PEARCE.—But people do not marry for purposes of trade. They do form corporations for purposes of trade. That disposes of the analogy.

Senator Sir JOSIAH SYMON.—It does not at all. The argument is that the paragraphs of section 51 are to be read independently. Just so; and reading them independently, if we have power to legislate with regard to foreign corporations and trading or financial corporations within a State, we have power quite independently to direct how married people shall carry on trade within a State.

Senator MCGREGOR.—Certainly, if we were ridiculous enough to do it, we have the power.

Senator KEATING.—Could we not place a restriction on marriage to this extent—that marriage should be subject to the condition that the parties married should not carry on separate businesses?

Senator Sir JOSIAH SYMON. — Certainly we could not. The Commonwealth could do nothing of the kind. But if the argument used by Senator Best is well founded we could do it.

Senator KEATING.—I think we could, although I think it is not at all likely that we shall.

Senator Sir JOSIAH SYMON.—That is to say that we could regulate the trade in which people marrying in the Commonwealth should engage. It is too absurd.

Amendment negatived.

Senator PEARCE (Western Australia) [6.9].—I wish to draw attention to a matter of drafting. Paragraph *b* refers to a corporation which engages in a combination—

with intent to destroy or injure, by means of unfair competition, any Australian industry, the preservation of which is advantageous to the Commonwealth, having due regard to the interest of producers, workers, and consumers.

The last two lines of the paragraph appear to me to be foreign to the remainder of the clause. It reads as if the person who enters into a contract with intent to destroy is meant to have due regard to the interests of workers, producers, and consumers. Who is it that has to have regard to those interests? I presume that the Court is meant.

Senator KEATING.—Those words govern the words “advantageous to the Commonwealth.”

Senator PEARCE.—Should there not be something to indicate that it is the Court that is to have regard to those interests?

Senator PLAYFORD.—That is implied.

Senator PEARCE.—In a very indirect manner, I think.

Senator PLAYFORD.—Quite sufficiently.

Senator PEARCE.—It might be read to mean that the person who has the intent to destroy is to have regard. I think it would be better to have a separate provision dealing with the matter, as is done in clause 6.

It might set out that, for the purposes of the last two preceding clauses, the Court, in determining what is unfair competition, should have due regard to the interests of producers, workers, and consumers.

Senator PLAYFORD.—That is what is now meant.

Senator FEARCE.—I think the intention ought to be expressed in a direct fashion, instead of, as at present, in an indirect way in two clauses. There is a direction to the Court in clause 6, and I think the other directions ought to be included in the same clause.

Senator DOBSON (Tasmania) [6.12].—The Bill, on the face of it, is very strict. We all know what we desire to do, but it is difficult to carry out our intention; and we ought to give the Court all information possible as to what we really mean. We know that trusts are sometimes beneficent, and that large organizations of capital are to be allowed; and under the circumstances we ought to show that it is unreasonable restraint of trade that we condemn. I move—

That after the word “to,” line 7, the word “unreasonably” be inserted.

Senator PLAYFORD.—The words “to the detriment of the public” attain the object the honorable senator has in view, and, therefore, there is not the slightest necessity for the amendment.

Amendment negatived.

Senator DRAKE (Queensland) [6.14].—There seem to be a great many provisions in the Bill which will have the effect of preventing competition by prohibiting the importation of goods and their sale at a low price to the injury of Australian industries. But there does not seem to be any provision to prevent persons from combining together to raise the prices of the necessities of life.

Senator PLAYFORD.—I think that the words “to the detriment of the public” cover that ground.

Senator Sir JOSIAH SYMON. — Those words are too vague.

Senator DRAKE.—Those words refer only to the restraint of trade or commerce, so that a combination of traders to raise the prices of commodities would not, I think, be affected.

Senator MULCAHY.—Would the raising of prices not restrain trade?

Senator DRAKE.—It might or it might not; trade might go on just the same. We certainly ought to deal with combinations of the kind, the operations of which press very harshly on the poorest in the community. I should like to move that, after the word "commerce" in paragraph *a*, the words "or to unduly raise the price of commodities" be inserted.

Senator PLAYFORD (South Australia—Minister of Defence) [6.15].—In my opinion the words suggested would be superfluous.

Senator BEST.—And would altogether alter the meaning of the clause.

Senator PLAYFORD.—I have not had time to fully consider the suggested amendment, but it strikes me that the ground is completely covered by the words "to the detriment of the public." The undue raising of the prices of the necessities of life would certainly be to the detriment of those who had to purchase them; and I ask the Committee not to agree to the amendment.

Senator BEST (Victoria) [6.16].—As I said by way of interjection, the suggested amendment would alter the whole meaning of paragraph *a*, because the words which Senator Drake desires to have inserted would limit the meaning of "detriment of the public" to the raising of prices. "To the detriment of the public" is intended to apply to anything which is injurious to the public, and the amendment, if carried, would impose the limitation I have indicated.

Senator DRAKE (Queensland) [6.18].—In order to make "to the detriment of the public" govern the whole paragraph, those words might be inserted after the word "intent," with the words I suggest following. The paragraph would then be grammatically perfect, but I have no desire to recast the whole; indeed, I would prefer the words "to the detriment of the public" to follow the words I suggest.

Senator PEARCE.—The honorable senator could make a new paragraph of his proposal.

Senator DRAKE. — I shall adopt the suggestion of Senator Pearce, and move—

That the following new paragraph be inserted to follow paragraph *a* :—

"(aa) with intent to unduly raise the price of commodities to the detriment of the public; or"

Question—That the words proposed to be inserted be inserted—put. The Committee divided.

Ayes	...	...	...	11
Noes	...	...	...	11

AYES.

Baker, Sir R. C.	Mulcahy, E.
Dobson, H.	Pulsford, E.
Drake, J. G.	Smith, M. S. C.
Higgs, W. G.	Symon, Sir J. H.
Macfarlane, J.	<i>Teller:</i>
Millen, E. D.	Pearce, G. F.

NOES.

Best, R. W.	Playford, T.
de Largie, H.	Story, W. H.
Findley, E.	Styles, J.
Guthrie, R. S.	Turley, H.
Henderson, G.	<i>Teller:</i>
Keating, J. H.	Croft, J. W.

PAIRS.

Clemons, J. S.	O'Keeffe, D. J.
Gray, J. P.	Trenwith, W. A.
Neild, J. C.	Dawson, A.

Question so resolved in the negative.
Amendment negatived.

Senator Sir JOSIAH SYMON (South Australia) [6.25].—I move—

That after the word "contract," line 19, the word "hereafter," be inserted.

I submit this amendment in order to make it absolutely certain that the sub-clause 2 applies only to contracts made after the passing of the Bill.

Senator KEATING (Tasmania—Honorary Minister) [6.26].—We have already provided, in the earlier part of the clause, that continuance in any combination, which, of course, would be the result of a contract, shall be an offence. That being so, we provide also that a contract, although it is not avoided until the Bill comes into force, shall then be avoided. We do not interfere in any way with any acts or transactions anterior to the Bill coming into operation, but the moment it does come into operation, it renders the making of such a contract illegal, and all contracts already in existence become illegal and void from that moment. We do not in any way act retrospectively or attribute to any action or transaction arising out of a previous contract, any particular force or effect under the Bill; but the moment the Bill comes into operation contracts for the establishment and maintenance of combinations become illegal and void.

Senator Sir JOSIAH SYMON (South Australia) [6.28]. — Senator Keating has either not read sub-clause 2 or misapprehends it. The amendment I have proposed

does not deal with the continuance of combinations, but with contracts. Neither the draftsman nor any one else ever pretended that sub-clause 2 of the clause was intended to deal with combinations, which become illegal and void at once; it was intended to relate to contracts only.

Senator KEATING. — A contract now in existence is not illegal, but it will become illegal on the passing of the Bill.

Senator Sir JOSIAH SYMON. — The Minister entirely, I think, misapprehends the sub-clause we are discussing. The sub-clause deals with persons who make or enter into contracts from the date of the passing of the Bill; past contracts are not affected. A man is not penalized who enters into a contract to do something before the Bill is passed; the man who is liable is he who enters into a contract after the Bill is passed.

Senator KEATING.—And who remains in a combination which is the result of a contract.

Senator Sir JOSIAH SYMON.—Not a word is said about that in sub-clause 2. We are not dealing with combinations but with contracts into which men enter after the passing of the Bill.

Progress reported.

Sitting suspended from 6.30 to 7.45 p.m.

ELECTORAL VALIDATING BILL.

Bill received from the House of Representatives, and (on motion by Senator KEATING) read a first time.

JUDICIARY BILL.

SECOND READING.

Debate resumed from 10th August (*vide* page 2672) on motion by Senator KEATING—

That the Bill be now read a second time.

Senator Sir JOSIAH SYMON (South Australia) [7.46].—This is a Bill to make the High Court a Court of four Justices and a Chief Justice, instead of at present a Court of two Justices and a Chief Justice. The reasons which have been presented by the Government in its support, are chiefly if not wholly, based on the ground of the large increase of judicial work which the establishment of the Court has brought about, and the pressure to which Senator Keating referred. In the few words I have to say, I do not propose to enter into that aspect of the ques-

tion, as he dealt with it fully. I propose to look at the subject from what I conceive to be the higher and broader aspect which I have always entertained. To the opinion which I expressed and sought to give effect to in 1903, when the Judiciary Bill was before the Senate, I still adhere. I still hold the view that the High Court of the Commonwealth should consist of not less than four Justices and a Chief Justice. When honorable senators look back on the history of the establishment of the Commonwealth, and the steps which throughout a considerable course of years were taken with a view to the framing of the Constitution, they will, I think, find that the volume of opinion, I believe I may say, probably the best opinion, on this momentous question in relation to the Federal Judiciary, has been consistently and uniformly in the direction of a Court of not less than five Justices. The Constitution framed by the Convention of 1891, of which you, Mr. President, had the distinguished honour of being a member, provided for a Chief Justice, and not less than four Justices. In the Convention which assembled in Adelaide in 1897, the subject was dealt with. In the first instance, it was brought in the ordinary course under the consideration of the Judiciary Committee of which I had the honour to be chairman. We had before us the provision of the Constitution framed in 1891, and a suggestion was made for the reduction of the number, so that the minimum should be fixed at three instead of at five. After the question had been most anxiously and earnestly discussed, the provision made in the Constitution Bill of 1891 was retained. In that shape, accompanied by the report of the Judiciary Committee, it was submitted to the Convention. On that occasion, Mr. Carruthers, who is now Premier of New South Wales, moved to strike out the minimum of four Justices, so as to leave the Parliament entirely at large in that regard. His amendment was defeated by a majority of three, the numbers being, if I recollect rightly, sixteen to thirteen. So that the Constitution, when it emerged from the Adelaide session, contained a provision with regard to the strength of the Judiciary as a Chief Justice and four Justices. No interference was made with the provision at the Sydney session in 1897, but at the last session, in Melbourne, the subject was revived, and a proposal was made that the minimum should be three, namely, a Chief

Justice and two Justices, instead of five, as originally provided. That was carried, but only by a majority of one vote. Honorable senators will therefore see that when I say that the volume of opinion was in favour of establishing the Court with that degree of numerical strength, it was so throughout, and that at the Melbourne session there was practically an even division. The amendment was made, not, I think I may safely say, because there was any change in the opinion of a majority of the members of the Convention, but because of what I might call prudential reasons in regard to presenting the Bill for the acceptance of the people at the referendum. That was the state of things up to the assembling of the first Parliament, and in 1903, the Judiciary Bill as it is now on the statute-book, was brought in. It was introduced, and I think properly introduced, by the Ministry, with a minimum of four Justices and a Chief Justice, and it so remained until the House of Representatives reduced the number to three. It then came here. Senator Stewart, who spoke immediately before I did, criticised the Bill adversely from certain stand-points. With some of his criticisms I agreed. He rested one of his criticisms on the ground that the Court ought to consist of five Justices and not of three. Speaking in the debate on the second reading, I said—

My honorable friend, Senator Stewart, said that he would vote for the Bill with reluctance, because it was a ragged measure, and that the High Court to be established under it would be a court which would not fill us with pride. Well, I cannot go quite that length with him. I shall vote for the Bill, also with reluctance, because the Court will be one of three Judges; and I will give reasons why I think there ought to be five.

I may say that Senator Dobson said that if there was to be a Court at all, he was strongly in favour of there being a Court of five Justices. Referring to that remark later on, I said—

I have not had the privilege of hearing the debate so far, but I will pledge Senator Dobson my uncompromising support if he will take steps in Committee to increase the number of Judges from three to five.

No effort was made in the Senate to increase the minimum from three to five, because there was a very strong feeling in Parliament at the time in respect of cost, and so on. I believe I am correct in stating that no amendment was moved, because it was felt that in all probability it would

not be successful. On the same occasion, I said—

As to the number of Judges, I agree with Senator Dobson that there ought to be five. There is a numerical strength as well as an intellectual strength. . . . Judges are human, and therefore I say that we ought to have a numerical strength as well as an intellectual strength. I understand that Senator Keating referred to the number of Judges in America, and to an intention there is of increasing them. I should like to tell honorable senators that when the United States were launched on their national career of union in 1789 with a population less than ours, and with, as Mr. Higgins and others admit, less possibilities of work than are presented to our High Court, five Judges and a Chief Justice were appointed. And not only so, but a large number of other courts were constituted at the same time for the purpose of doing work under the Federal Constitution.

Three years have elapsed since that time, and Senator Keating has alluded to additional consideration, but with that aspect of the question I shall not deal. I adhere emphatically to the view I expressed in the Convention in 1897-8, and in the Senate in 1903. I still think that we ought to have had from the beginning, and we ought certainly to have now, a Court of five Justices. The great reason by which I am influenced is that which I stated then, that there is a numerical force, if I may so call it, as well as an intellectual strength. Whatever criticism may be offered to the view I venture to submit, there is this to be said: That we want our tribunal to be imposing in power and ability, and also imposing, within limits, in number. That is really all I have to say, except that, with the proposed numerical increase, we shall get increase of strength, increase of dignity, and increase of influence. I think that the dignity and power of the Court will certainly not be lessened, but will be augmented, by that numerical addition, the judgments will carry undoubtedly that greater weight which the number associated in them will give, and the stream of justice will be none the less strong throughout this community by increased strength in the fountain from which it comes.

Senator HIGGS (Queensland) [8.1].—I move—

That the word "now" be left out, with a view to add the following words "this day six months."

I move the amendment, not because I have any doubt about the necessity for appointing two extra Justices, for I understand that the Court is worked at great

pressure, and that at least one Justice is showing signs of very hard work. My objection to the Bill is based upon the fear that Ministers who have, as a shibboleth, the cry of "Australia for the Australians" are likely to follow the example of the Government of Western Australia, who, during the past three years, have imported two barristers to fill positions upon its Bench. The Government appear to be extremely anxious to have coats, boots, collars, and cuffs made in Australia—and that is a very laudable ambition—but, apparently, they have no confidence in the capacity of Australians to fill these high offices. Lately they have been casting round outside Australia for a gentleman to fill the position of Administrator in Papua. So far they have not been able to get a gentleman, but they are marking time in the hope that they may discover one. If that is their attitude towards the filling of an office which I do not think requires as much education or ability as does the position of a Justice of the High Court, is it likely that they would appoint Australians to the additional Judgeships? I do not think it is.

Senator DOBSON.—What! not for the two High Court Judgeships?

Senator HIGGS.—The honorable senator has heard my argument, and I ask him if he has any reason to believe that the new Justices would be selected from amongst the citizens of the Commonwealth?

Senator DOBSON.—If I were a sporting man, I would lay the honorable senator odds that they would be.

Senator HIGGS.—My reason for taking up this position is that, during the past three years, the Government of Western Australia have appointed as Judges a barrister named McMillan and a barrister named Roth. The Government has not given us any assurance that two Australians will be appointed. Many names have been suggested, and if I could rely upon it that two of the gentlemen who have been mentioned would be chosen I should not oppose the second reading of the Bill. Because I fear that the Government has not a complete sense of what is due to the Commonwealth, and has not confidence in the capacity of Australian citizens, I shall submit my amendment, and press it to a division if I can get a supporter.

THE PRESIDENT.—Is the amendment seconded? There is no seconder.

Senator O'KEEFE (Tasmania) [8.6].—I would not second Senator Higgs' amendment, because I wish to see the Bill carried with an amendment that can be made in Committee.

Senator HIGGS.—The honorable senator has more confidence in the Government than I have.

Senator O'KEEFE.—I have not the slightest doubt that, quite irrespective of what is being done regarding another important position in the Commonwealth, the Judges selected will be chosen from the Australian bar.

Senator MCGREGOR.—Is the honorable senator giving us that assurance?

Senator O'KEEFE.—I am not, but I have not the slightest doubt in my own mind. But a case for the appointment of two additional Judges has not, in my view, been made out. In Committee, therefore, I intend to move that one additional Justice be appointed, instead of two. We are told that an enormous amount of work is before the High Court, and that litigants have to wait longer than they should be required to do. But I have heard the opinion expressed by legal gentlemen that the Judges of the High Court might do something to discourage so many appeals being made from States Courts.

Senator PULSFORD.—Is it their duty to do so?

Senator Lt.-Col. GOULD.—How could they do it?

Senator O'KEEFE.—They may not be able to do it. Reading the correspondence that has passed between the Chief Justice and the Attorney-General, it appears to me that the strongest feature of the case for appointing two additional Judges is that the Judge who has to do the conciliation and arbitration work has not yet been able to devote his attention to it, and that if we still limit the number of Judges to three he will not be able to undertake that work at all. If that be the strongest reason that can be given, why need more than one additional Judge be appointed at the present juncture? It may be urged by legal senators that it would be rather awkward to have four Judges, because there should be a majority decision when the Justices are not unanimous. But that consideration may be left out of the question. If we appoint an additional Judge, three Judges can still adjudicate in appeal cases, while the time of the extra Judge is occupied with other

business. In addition to that, the additional Judge will be able to relieve the other Judges from the strain of their work. We are told that there is danger of some of the Judges breaking down from stress of work. If an additional Judge were appointed there would always be one Judge in reserve to form a member of the Full Court. It is being urged in every State of Australia, and I think, in this case, with some show of reason, that there is a disposition to pile up expenditure. Those who advocate the appointment of two additional Judges will say, "Let the States reduce the expenditure on their Supreme Courts. If litigants choose to take their cases to the High Court the expenditure connected with the States Courts can be cut down." But how can that be done? Judicial appointments are made for life, and unless a Judge in one of the States is verging on the age when he will be entitled to a pension, and will be inclined to retire, the State Government cannot decrease expenditure in this direction. If in the High Court we have four Judges instead of three, the next Parliament will still have the power to pass a measure enabling a fifth Judge to be appointed if that is thought to be necessary. What is to prevent a further amending Bill being passed twelve months hence if it is found that four Judges cannot cope with the work?

Senator HIGGS.—That can be done also if it is found that the imported Judge is not competent.

Senator O'KEEFE.—I have no fear of an imported Judge being appointed. If I had had a shadow of doubt on that point I should have seconded Senator Higgs' amendment. It would be an outrage on common sense, and a serious reflection on the acumen and ability of Australian lawyers to appoint an outsider. I have not circulated an amendment, because I was not aware that the Bill was to be proceeded with to-night. I submit, however, that the cry that is being raised—very often on flimsy grounds—that there is a disposition to pile up expenditure unnecessarily affords a strong reason why we should not appoint two extra Judges. I have looked into the question with some care, and have come to the conclusion that in another place an excellent case was made out for appointing only one additional Judge. In Committee I shall submit an amendment to that effect, and trust that I shall receive sufficient support to carry it.

Senator BEST (Victoria) [8.17].—My honorable friend who has just resumed his seat has raised the question of the desirableness of appointing one or two additional Justices. I quite agree with him that if the Senate were satisfied that a fourth Judge would be sufficient for the purpose of effectively carrying on the work of the High Court, we should not be justified in appointing a fifth. I do not see any objection to having four Judges instead of five, from the mere fact of an odd number being desirable. That would not be a substantial objection to a Bench of four Judges, if we were satisfied that four could do the work. As one having considerable experience in regard to High Court work, and speaking generally, I say that the High Court has been a very great success. There are, in fact, many persons who were bitterly opposed to Federation who have not hesitated to express the opinion that the shining success of Federation has been in respect to the High Court. I do not for one moment agree with the view that that is the only success Federation has accomplished, but I do agree that the High Court has been both popular and successful from a judicial stand-point.

Senator O'KEEFE.—I have met people—unsuccessful litigants—who are by no means pleased with the High Court; though I do not think that their opinion is a good one.

Senator BEST.—We have to be satisfied from the point of view that my honorable friend, Senator O'Keefe, has put, that two additional Judges should be appointed. That the Court has worked at very high pressure cannot be doubted for a moment. I believe that the most conscientious attention has been given by the members of the Court to the highly responsible duties attached to their position. It has been one of the features of the Court that its members have never spared themselves. Their judgments have never been delayed, but have been most promptly and expeditiously delivered—a matter of very great importance indeed to litigants. But, at the same time, working as they have done in order that the public demands might be met, the members of the Court have been obliged to subject themselves to great pressure.

Senator MILLEN.—Does not the honorable senator think that an additional appointment would afford considerable relief?

Senator BEST.—It would afford great relief. But the Chief Justice is a man in whose judgment we must have some confidence. On the 19th June, he was invited by the present Attorney-General to indicate the opinion of their Honours as to what increase in the strength of the Court was necessary to meet public requirements. On the 20th June, the Chief Justice replied as follows:—

I have the honour to acknowledge your letter of yesterday's date, referring to previous correspondence on the subject of the business of the High Court, and asking the opinion of the Justices as to what increase of the strength of the Court is necessary to meet public requirements.

Having regard to the risk of interruption of the appellate business of the Court by the temporary illness or absence of one of the Justices, the importance of making provision for the exercise of the original jurisdiction of the Court, which is now, of necessity, practically in abeyance, and the discharge of the functions of President of the Arbitration Court by one of the Justices, we are of opinion that the strength of the Bench should be increased by the appointment of two additional Justices.

Senator KEATING.—That is from a man who is notoriously industrious.

Senator BEST.—It is a piece of advice conveyed to us by the Chief Justice on behalf of the present occupants of the Bench, that we cannot afford to disregard lightly. I have referred to the popularity of the High Court Bench. I know that my honorable friend, Senator Symon, does not agree as to the expediency of appeals being made direct from the judgment of a single Judge of a State Court to the High Court. But I think that he will admit this much, at all events: that when litigants have chosen to appeal direct to the High Court in the numbers in which they have done, it at least betokens the greatest confidence in the judgment of the High Court and in the justice which litigants may expect to get from it.

Senator Sir JOSIAH SYMON.—At any rate, so long as the Judiciary Act remains as it is, those appeals must be heard.

Senator BEST.—That is so. There is considerable unanimity of feeling that, instead of taking the risk of going to the Full Courts of the several States, appeals should be made direct to the High Court. I am aware, moreover, and I speak from personal experience, that litigants have preferred to go to the High Court, as was originally hoped they would, instead of to the Privy Council.

Senator MILLEN.—Is that not largely traceable to the fact that a considerable percentage of appeals have been successful?

Senator BEST.—Both sides cannot be successful.

Senator MILLEN. — Both sides are not satisfied.

Senator Lt.-Col. GOULD.—But the losing side in the Full Court knows very well that the other side will take the case to the High Court, and it is to save expense that they go to the latter direct.

Senator BEST.—That may or may not be; but the fact remains that the High Court is largely accepted as a final Court.

Senator Sir JOSIAH SYMON.—It is a pity there is that provision in the Judiciary Act for direct appeal.

Senator BEST.—We have to accept the fact that there can be direct appeal to the High Court; and, personally, I think it is a wise provision, though I know other honorable senators do not accept the same view. I have been before the Privy Council with several of my cases, and, so far as I can influence my clients by advice, I shall never have any hesitation in advising them to go to our own High Court, so long as we have the same high standard of legal ability and acumen as at present on the Bench. I do not wish for one moment to discount the great ability to be found on the Benches of the States Courts, but, at the same time, the judgments of the High Court have commanded a great amount of confidence and respect. I agree with Senator Symon that this is not so much a matter of increasing the numerical strength. The more important point is to increase the intellectual strength of the Bench, so as to secure for it a dignity and high position which will command confidence.

Senator O'KEEFE. — We cannot get increased numerical strength without increased intellectual strength, because we take it for granted that the men appointed will be intellectual.

Senator BEST.—That is so, and I am glad to say we have in our midst men who certainly would adorn the Bench. I have no hesitation in saying that the men appointed will be of the highest legal calibre, and will do justice to the great and responsible work attached to the position.

Senator O'KEEFE.—That applies whether one or two be appointed.

Senator BEST.—Yes ; but I feel that we cannot ignore the advice of the High Court, the members of which know what the work is, and that it is increasing. Above all things, we cannot afford to overwork the members of our High Court ; the interests of litigants are too great and serious to permit that condition of affairs to last for any extended time. The present Judges have been working at high pressure, and it is now proposed to relieve them. In view of the increasing work of the Bench, we are called upon to accept the advice of those who are capable of assisting us, and to appoint two additional Judges. I hope the Bill will be carried into law ; and I am quite certain that the effect will be to further add to the lustre of this great institution.

Senator MCGREGOR (South Australia) [8.30].—I rise to support the Bill in the form in which it is presented to us, and I do so for the reason that I believe it to be in the interests of the public.

Senator O'KEEFE.—Everything we do is in the interests of the public.

Senator MCGREGOR.—Decidedly ; but we hear a great deal about the high pressure at which the members of the High Court are being worked, and about the economy that might be affected by the appointment of only one Judge. It must be remembered, however, that the Commonwealth Parliament is passing a number of new laws, and creating a variety of positions which did not exist under the States Parliaments. In this way we are placing those who are foolish enough to go to law in a very dangerous situation. We have passed a Commerce Act, and an Arbitration and Conciliation Act, and we have before us the Australian Industries Preservation Bill, all of which, together with a number of other new laws too numerous to mention, will provide work for the Courts of law. Whether we look at the present Bill from an industrial or a commercial stand-point, we cannot but realize that thousands of pounds might be lost to the community in one twelve months if the Court were not in a position to deal promptly with the cases which come before it. That is the reason why we should be prepared to remove any difficulties which there may be, not in connexion with the Court itself, but in connexion with those who are compelled to go to law. If, for instance, a case under the Commerce Act, or under the Australian Industries Preservation Bill, which we hope

to pass, involved the suspension of a gigantic business for six months, there would probably be misery caused and more money lost than would justify the employment of five Judges for all time. When we judge of the work of the future by the work which has been done in the past, we shall be very foolish if we do not take care to create an effective Court. The only objection that weighs to any extent with me is that raised by Senator Higgs, when he points out the danger of the present Government appointing outsiders to these positions.

Senator HIGGS.—Why did the honorable senator not second my proposal ?

Senator MCGREGOR.—I do not desire to see the Government go outside Australia to fill the positions created by this Bill.

Senator CROFT.—The Government went outside to seek a Lieutenant-Governor for New Guinea.

Senator MCGREGOR.—What makes me sympathize with Senator Higgs is the fact that the Government were prepared to go outside for what might be called an unimportant officer, as compared with the occupant of a seat on the High Court Bench. In all the States there are men occupying very prominent positions in connexion with the law, and, therefore, I hope that no attempt will be made to go beyond the confines of Australia for Judges.

Senator HIGGS.—There is a slight difference between the positions. I do not suppose a member of the Government would go to New Guinea as Lieutenant-Governor, but one might go to the High Court.

Senator MCGREGOR.—I am not looking at the matter in that light. We ought to pass this Bill expeditiously, so as to create greater confidence in the public mind with regard to the administration of the Acts passed by this Parliament. The reason I did not support Senator Higgs' amendment is simply that I believe the common sense of the Senate to be such that we should have gained no support, seeing that Senator Zeal is not here. I do not like to be continually in a minority, but always, if possible, to be in the majority when I am right. I hope the Bill will be passed as quickly as possible ; and I see no necessity for an amendment.

Senator MILLEN (New South Wales) [8.35].—When Senator Higgs rose, I anticipated that he would have shown his usual consistency, and submitted a motion

asking the Senate to decline to consider or pass this Bill unless it contained the names of the two gentlemen to be appointed. Such a step would have been in conformity with a motion the honorable senator once invited the Senate to pass in regard to another appointment.

Senator HIGGS.—It may not be too late now.

Senator MILLEN.—It is because I recognise that it is not too late that I make the suggestion, so that in Committee the honorable senator may remedy what is no doubt an omission on his part.

Senator HIGGS. — Will the honorable senator second the proposal?

Senator MILLEN.—I am always doubtful about seconding any proposal which the honorable senator brings forward. On the previous occasion to which I allude, I found myself in opposition to the honorable senator, and it is probable I should be in the same position this time.

Senator MCGREGOR.—Will Senator Millen himself submit a motion of the kind if we support him?

Senator MILLEN.—No, because I should then be making a proposal in which I did not believe. Little confidence as I have in the present Government, it would be too serious to follow the course taken by Senator Higgs on a previous occasion. As to the Bill, I have listened to two speeches by Senator McGregor and Senator Best. I agree with that portion of the remarks of Senator McGregor in which he points out that owing to the rapidity with which we are turning out legislation, and creating new crimes and offences, it is possible that we shall require additional Judges. It is a question, however, whether that is not an argument against the class of legislation we are passing, rather than an argument for the appointment of additional Judges. If every night we meet here we intend to make fresh offences and crimes, we had better face the inevitable, and agree to appoint twenty additional Judges, or leave it to the Government to appoint an unlimited number. I am satisfied that if the legislation of the future is to be like that of the past, five Judges will be insufficient.

Senator Sir JOSIAH SYMON.—If every infraction of the rules of trade is to be an offence, we shall require 100 Judges.

Senator MILLEN.—Senator Best rose for the purpose of supporting the Bill, but to my mind he furnished the strongest pos-

sible objection to an increase from three to five Judges. The honorable senator assured the Senate that in no case had the public been kept waiting for decisions, and that in every direction, there was unbounded satisfaction with the work the Court had performed. If there is no evidence of any injury to the public interest owing to delay on the part of the Judges, surely it is only reasonable that, instead of jumping immediately from three to five Judges, we should try the experiment indicated by Senator O'Keefe.

Senator HENDERSON.—Some cases have been pending for months.

Senator MILLEN.—If that be so, it disposes of the argument brought forward by Senator Best.

Senator BEST.—Senator Millen omits what I said when I mentioned that we cannot afford to keep our High Court working at the present high pressure.

Senator MILLEN.—But Senator Best stated that there was general satisfaction, and that in no case had the public been kept waiting for the decisions of the Court. The honorable senator laid stress on the value of these facts, and I agree with him entirely.

Senator MCGREGOR.—The public have to wait for hearings and not decisions.

Senator MILLEN.—With one exception to which I shall refer, there has, it appears, been no just cause of complaint against the Court on the score of delay. I do not dispute the statement that the Court has been working at high pressure; but, with the exception of one case under the Arbitration and Conciliation Act, there has been no cause of complaint. The appointment of an additional Justice would mean increasing the strength of the Court by 33 per cent., and a very considerable easement to the present Justices. One additional appointment would not only meet any case of indisposition, but would enable a considerable amount of work in original jurisdiction to be carried on concurrently with the sittings in Full Court for appeals. That would constitute a large measure of relief; and, having regard to the unsatisfactory financial position into which the Commonwealth is drifting, we ought to try the experiment of one additional Judge before we incur the large expenditure which would result from a double appointment. What is the financial position? We are face to face with an absolute deficiency in Federal finance.

Senator PLAYFORD. — I think we are some hundreds of thousands of pounds to the good yet.

Senator MILLEN. — The amount of money which the Commonwealth to-day is handing over to the States, in addition to the statutory three-fourths, is becoming smaller and smaller every year.

Senator PLAYFORD. — That does not mean insolvency to us.

Senator MILLEN. — The amount is now so small that if we carry out the scheme of penny postage, and other schemes suggested by the Government, and if we take over transferred properties, and are called upon to defray the interest on the money expended by the States on the transferred public buildings, there will be an absolute deficiency. We have been living, to some extent, in a fool's paradise. Before incurring large expenditure we ought to look ahead, and, when we have spent the 25 per cent. allowed by the Constitution, ascertain how to raise additional revenue. For that reason I intend to support the suggestion thrown out by Senator O'Keefe. As that honorable senator said, it will be easy enough, if we find one Judge is not sufficient, to appoint a second; but, once we make two appointments, we cannot cancel one. A man in ordinary business, if he found the work in his shop, office, or factory becoming a little too much for his employés, would make appointments by degrees. As I say, we may always make an additional appointment, but once a Judge is placed on the Bench, no matter whether he be required for the Court or not, his services cannot be dispensed with. Bearing in mind the necessity for financial care, I intend to vote for the appointment of one Judge only.

Senator Lt.-Col. GOULD (New South Wales) [8.42]. — It may be regarded as absolutely certain that the motion for the second reading will be carried. I have a good deal of sympathy with Senator Higgs in his doubt as to the wisdom of intrusting the Government with the power to appoint two additional Judges, but my doubt is not on the same ground. My fear is that, instead of the Government refusing to appoint men because of their nationality, or anything of that sort, the appointments may be more for political than for any other reasons. It is possible there are gentlemen whom the Government fear may not secure election to another Parliament, and these gentlemen may be provided for by seats on the High Court Bench. But, whatever

may be the idea in the mind of the Government, I hope the Judges appointed will be men of ability and sterling character, in whom we may have absolute confidence.

Senator HIGGS. — I think we might find one on the honorable senator's side of the House.

Senator Lt.-Col. GOULD. — At the present time we are in a peculiar position. We are nearing the end of the life of this Parliament, and really do not know of whom the majority will be composed after the elections. The present Government may disappear in the course of a few months, and if they have it placed in their power to appoint two gentlemen to the High Court Bench, it will be impossible to call them to account, should Parliament be dissatisfied with the appointments. I admit that, according to the statement made by the Justices, there is a necessity to strengthen the Bench, and the fact that there is no bar against litigants appealing straight from the decision of a Justice of the Supreme Court to the High Court, instead of going through the Full Court, must unquestionably add very much to the work of the Federal Justices. In some cases where a decision has been obtained in one Court, and an appeal has gone to the Full Court of the State, it has invariably been the practice of an unsuccessful litigant to go to the High Court, on the chance of getting the decision reversed. A man who goes into litigation, if he has any sense at all, will consider carefully how far it may be carried on. He will see that there is no wisdom in appealing to the Full Court of the State, when he knows that in all probability there will be an appeal to the High Court, and he may find himself saddled with the costs of two appeals. Some honorable senators appear to think that it is not wise to allow a direct appeal from the Supreme Court of a State to the High Court. I cannot say that I agree with that view, because I think that if men have to resort to litigation, and know that eventually they have to get to one goal, the sooner they get there the better it will be for themselves and their pockets, instead of going through two Courts. Therefore I do not think it is a mistake to allow a direct appeal. One gentleman has said that he will always advise his clients to go to the High Court instead of to the Privy Council. There are some very good reasons for giving that advice. In the first place, a decision can

be obtained within a reasonable time, but if an appeal be made to the Privy Council a long period has to elapse before a decision can be obtained, and the whole of the work has to be performed by gentlemen who perhaps have but little knowledge of the law of the State. No doubt there is more satisfaction in a man getting his work done by gentlemen who are intimately associated with the case from its initiation. However, we must take the law as it is, and the state of affairs suggests that it is desirable to strengthen the Bench of the High Court. We know that there is trouble in getting a Justice to preside over the Arbitration Court. At one time I felt almost inclined to suggest that it would be much better to appoint a suitable man to the position of President of the Arbitration Court, instead of selecting a Justice of the High Court, and utilizing his services in the High Court in much the same way as in New South Wales the services of a bankruptcy Judge were utilized in connexion with the Supreme Court, when his time was not fully occupied. It is evident that the second reading of the Bill will be carried, and the only question to decide will be whether it shall provide for the appointment of one Justice or two Justices. There are many reasons why it is undesirable at the close of a Parliament to place a large amount of patronage in the hands of a Government. It would be very much better to do that at the beginning of a Parliament than at its close, when practically it has little, if any, control over their action, or little, if any, power to express its disapproval of any act.

Senator STEWART (Queensland) [8.50].—I intend to support the second reading of the Bill. When the original measure was passing through the Senate, I said that three Judges would be found insufficient, and I think that forecast has been abundantly proved. The question we have to consider is whether the case for two additional Justices has been sufficiently made out. Reading the correspondence which has been tabled, I find the following passage in a communication from the Chief Justice to the Attorney-General:—

So far as it is possible to form an estimate for the future, we think that the appellate business of the High Court is likely to keep it engaged almost continuously throughout the year. We are at present unable to fix any day before the end of this year for the hearing of a case before a single Judge.

That letter is dated 8th May, so that practically, according to his statement, every sitting day up to the end of the year is already appropriated. That is not a state of affairs which ought to exist in our Courts of justice. If it is possible, justice ought to be cheap. I do not know that it is. It appears to be a most costly luxury, and the people who indulge in it are like the people who indulge in other luxuries—more or less fools. In any case, if they will spend their money, waste their substance, and exhaust their nervous systems in litigation, let them have it over as expeditiously as possible. I believe that if any honorable senator went into a Court to-day with a case, and were told that he could not be heard until the end of the year, or the beginning of next year, he would be inclined to curse the law and all its belongings. Since we have a High Court, and people will go to law, they should have every opportunity of settling their differences as quickly as possible, and the Court ought to be sufficiently manned. There is another reason why I support the second reading of the Bill. In paragraph 6 of his letter the Chief Justice says—

The appellate business of the Court is of a very onerous and responsible character. In the large majority of cases, it is expedient, if not necessary, to reserve judgment. The present continuous pressure of work leaves us very little time for research, and for the preparation of written or even oral judgments. We do not think it desirable that a Court of final appeal should work at such constantly high pressure, from which, however, there is no prospect of escape so long as the number of Justices is limited to three.

A great many persons imagine that the work of a Justice consists of sitting on a chair, wearing his wig, looking as wise as he possibly can, and then saying ditto to the Justice by whom the decision is given. But I take a very different view of the matter. I believe that a great deal of the best work of our Justices is done not upon the Bench, but after the arguments in the case have been heard. Again, the High Court is a Court of final appeal, and we all know what that means. An ordinary District Court Judge, or even a Supreme Court Justice, knows that somebody else will come after him, and, if necessary, take the kinks out of his judgment, but the Justices of the High Court know that their statement of a law must be accepted by the public until that law is changed. Therefore, the responsibility upon them

for giving an accurate judgment legally, and a wise judgment from the common-sense point of view, is all the greater. We find that for months yet Mr. Justice O'Connor, as President of the Arbitration Court, cannot possibly grant a hearing to a case which has been filed, owing to the fact that there are only three Justices on the High Court Bench. I do not think it is desirable that the working of an Act with which we took considerable pains here, and from which we hoped so very much, ought to be suspended simply because we have not a Justice to sit on any case which may be brought up. It seems to me to be a very unwise kind of economy which denies justice in that fashion. With respect to the objection raised by Senator Higgs, I believe that there are too many local luminaries on the pounce for these positions for any outsider to have the ghost of a chance. No foreigner need apply where members of the Bar are concerned. We may go to the other end of the world for a Governor or a Lieutenant-Governor, but we certainly will not go outside the Commonwealth for any Judges. I do not think that we ought to go outside the Commonwealth, or that there is any need to do so. I have no fear that a foreigner will be appointed to either position. But, apparently, Senator Gould looks upon the measure as one designed to place patronage in the hands of a dying Government. If a case for the appointment of two Justices has been made out, and I believe it has, then some Government will have the making of the appointments in its hands. I would just as soon trust the present Government in that respect as any Government that we are likely to have during the next few years.

Senator Lt.-Col. GOULD.—They are all alike.

Senator STEWART.—Yes. I believe that the present Government is just as bad or as good as any other Government we could possibly have.

Senator GRAY.—Even a Labour Government.

Senator STEWART.—Even a Labour Government would not be perfect, although, perhaps, it would be very much nearer perfection than would any other Government. I do not see that we are at all likely to see perfection on the Government bench or in the ranks of ordinary members of the Senate during our time. The standard is very high, no doubt, but there are peaks of

achievement which even we have not reached, and which, probably, our descendants will not reach. I should like the Bill to be amended with regard to the making of rules for the admission of solicitors and barristers, because I think that Parliament should have a voice in that respect.

Senator PEARCE.—The rules will have to be laid before Parliament.

Senator STEWART.—I do not think it is desirable that what is neither more nor less than a mere common trade union should have the power and the privilege of saying who shall be admitted into its ranks, and on what terms the admission shall be.

Senator Sir JOSIAH SYMON.—Why does the honorable senator call it a trade union?

Senator STEWART.—What else is it?

Senator Sir JOSIAH SYMON.—The honorable senator can be admitted if he can pass the examination required to show his qualifications.

Senator STEWART.—Yes, but the trade union officials can make the examination so stiff—

Senator Sir JOSIAH SYMON.—Indeed, they cannot.

Senator STEWART.—They can, and they do.

Senator Sir JOSIAH SYMON.—The honorable senator's complaint is that they do not make the examination easy enough for him.

Senator STEWART.—I am certain that the examination is much stiffer to-day than it was when Senator Symon was admitted to the Bar. A few days ago I was reading the history of President Lincoln, who, as everybody knows, was a lawyer. It is stated in the book that it was very doubtful whether he had ever passed an examination. We all know that he became a famous lawyer, and a still more famous statesman; but the fact remains that the legal union is yearly raising the height of the barrier between itself and the public, so that only young men who have plenty of money and, of course, some brains, are able to get inside the charmed circle. I shall try to get an amendment of clause 4.

Senator DRAKE (Queensland) [8.57].—I was always in favour of the appointment of five Justices to the High Court. After a few years' experience we can all see that the work it has to do has been more than sufficient to keep three Justices going. Having regard to the administration of the Conciliation and Arbitration Act, and the

Australian Industries Preservation Bill, it seems exceedingly probable that in the future there will be sufficient work for a Court of five Justices. The reason why I strongly favour the Bill is because I think it desirable that we should, if possible, have a final Court of Appeal in Australia. At the present time, the High Court is the final Court of Appeal in certain matters, and it may be the final Court of Appeal in all matters if litigants are satisfied that it should be so. I believe that the more we strengthen the Court, the greater will be the tendency on the part of litigants to accept its decisions as final. The more they have reason to be content with the learning and knowledge of local conditions possessed by the High Court, the more satisfied they will be to accept its decisions as final, and not to appeal to the Privy Council. In a matter of this kind, as in all others, I should like to be with the economists, but I think that the extra cost of providing for another Justice will be very small in comparison with the great saving to the people, and also to the Government, by having a final Court of Appeal in Australia.

Senator DOBSON (Tasmania) [9.3].—The only question before the Senate is whether we shall have four or five Justices. I think it must be apparent to every one that a good case has been made out for making additions to the High Court Bench. I had the honour of being a member of the Judiciary Committee which was appointed by the Convention of 1897, and was presided over by Senator Symon. We had a great deal to do with the High Court as an appellate Court. What struck most of us was that we were creating an appellate Court for the whole Commonwealth, and that litigants from the larger States would be appealing from a Court of six Judges to one of three. That appeared not to put the High Court in as strong a position as it ought to occupy. But since then we have had two years' experience of a Court consisting of three Judges. We all know that the Court has won the confidence of the people of the Commonwealth. That being so, my objection to a Court of three Judges has to a great extent disappeared. We should on every occasion be guided by the principle of economy. Unless we believe that we should do an injury to the public by carrying out that principle, we should enforce it rigidly. While I admit at

once that a good case has been made out for the appointment of an additional Judge, I do not think that a case has been made out for the appointment of two Judges. It will be noticed that the section of the Judiciary Act which says that the Court may consist of two Judges still remains in force. So that, even if we have five Judges, the Court may consist of only two. It is true that, in a subsequent section, the Court to hear appeals from the Supreme Courts of the States must consist of three Judges. But, even so, if we appoint an additional Judge, we shall have the Full Court, it may be, consisting of two Judges, with two who need not attend, and the Court of Appeal consisting of three Judges, with one who need not attend. While I quite agree that it is necessary to have an additional Judge at once, I hesitate to conclude, on the facts before me, that we should appoint a fifth. The High Court has been able to carry on its work with efficiency and with promptitude as at present constituted. Unless the High Court has been working at frightful pressure, a case cannot be made out for the appointment of two additional Judges. I am inclined to think that the existence of the Arbitration Court is being made the ground for the appointment of two extra Judges. But I do not think it offers any sufficient reason. I can scarcely credit the statement that the litigation that is likely to arise in that Court will require the attendance of a Justice all the year round. If that is to be the case, there must be gross abuse, and disputes extending beyond a State must be almost manufactured.

Senator GUTHRIE.—One association has been waiting for seven months to apply to the Arbitration Court.

Senator DOBSON.—I believe that two cases have been waiting. The fact that there are no more supports my argument.

Senator GUTHRIE.—What is the use of citing cases when there is no Court?

Senator DOBSON.—If there had been cases we should have heard of them.

Senator KEATING.—Has not the honorable senator read the Industrial Registrar's report?

Senator DOBSON.—I cannot believe that one Justice will be required to act as President of the Arbitration Court for the whole of his time to dispose of the disputes extending beyond a State that are likely to arise in the ordinary course of business. Again, I consider that a great deal of the

work of the High Court has been brought about because appeals are taken from a single Judge of a State Court. That may be done in order to save expense, the ordinary litigant desiring to go to the final Court of appeal as soon as possible. It appears to me that that practice has continued largely owing to the fact that the High Court is presided over by a Chief Justice who eminently commands and deserves the confidence of the people of Australia. But it is likely that litigants will come to recognise that, although the Federal Chief Justice is a man of great ability, and, although the other two Justices are men with judicial minds and of considerable attainments, yet the State Judges are men of such ability that the appeals to the High Court will not increase. If they do, it is quite certain that the work of the States Courts will decrease. If we do not mind what we are doing, we shall have more Judges in Australia than there is work for them to do. It appears to me that too frequently arguments are brought forward here, and in the other House, for giving extravagant and generous administration the benefit of the doubt.

Senator BEST.—Did not the honorable senator originally support the appointment of five Judges?

Senator DOBSON.—I was originally in favour of five being appointed, because I thought that to appoint only three would place the High Court in an unfair position, as it would have to hear appeals from two States in which the Full Courts consist of Benches of six Judges. But, inasmuch as the High Court has proved that it commands the confidence of the people of the Commonwealth when consisting of three Judges, that argument to some extent falls to the ground. At the present time we should give economy the benefit of the doubt. In Committee I shall support Senator O'Keefe's amendment, unless a very strong case is made out for the appointment of two extra Judges.

Senator PULSFORD (New South Wales) [9.11].—I shall vote for the second reading, and shall support the measure in its present form. The High Court is a feature of the Commonwealth service as to which we should be careful to provide fully, I will not say lavishly. I remember, three years ago, speaking on this matter, and expressing the opinion that the number of Judges ought to be five. I then

said I hoped that, in the course of a few years, an increase in the number would be made. The business that has fallen to the lot of the High Court during the past three years strengthens my view. I have watched its proceedings almost every day since it has been at work. I have seen that the Court has been well occupied, and have noticed that the Judges have frequently been under considerable pressure. There seems to be no margin for those possibilities of illness and trouble which must at times affect even High Court Judges. We have much to be thankful for in the fact that, during the three years, not one of the Judges has been laid aside by illness, and that the business of the Commonwealth has not been delayed in consequence. But we ought not to continue to rely on Providence helping us in our improvidence. Therefore, I shall support the Bill as it stands.

Question resolved in the affirmative.

Bill read a second time.

In Committee:

Clause 1 agreed to.

Clause 2—

Section 4 of the Judiciary Act 1903 is amended by omitting the word "two" and inserting in lieu thereof the word "four."

Senator O'KEEFE (Tasmania) [9.16].—
I move—

That the word "four," line 3, be left out, with a view to insert in lieu thereof the word "three."

I do not think that it is necessary for me to add much to what I have said in support of my amendment. It has been urged that important cases are awaiting decision in connexion with the Federal Conciliation and Arbitration Act. How many cases are there, and how many are likely to arise within the next year or two? I believe that two cases are awaiting settlement, and when they are disposed of two or three years may elapse before the Federal Arbitration Court will have any more work to do. When the Arbitration Act was being considered by the Senate it was contended by a large number of honorable senators—the point was put with considerable strength by Senator Symon, for instance—that under our Constitution there could be very few cases, inasmuch as the Constitution only gave power to deal with a limited number. The cases mentioned were those affecting shipping strikes, strikes among seamen, and also among shearers. Some senators went so far as to say that, outside those divisions of industry, no other disputes could arise

which could constitutionally be brought before the Federal Court. If the Court itself decides that its powers are limited, as Senator Symon assured us was the case while the Bill was under consideration, all the arbitration work cast upon the High Court will speedily disappear. That being so, it is quite possible that all the work that may arise within the next twelve months will easily be disposed of in two or three months, and that the appointment of an additional Judge would meet all requirements. I do not for a moment think that we ought to be penurious in dealing with justice. That would be false economy. If I thought it was necessary that we should have five Judges, a question of £3,000 a year would not weigh with me at all. That is not a very big matter. But it appears to me to be capable of demonstration that it is not necessary to have more than four Judges, and, therefore, I think it is a mistake to have five at this juncture. If we appoint an additional Judge, and if, in twelve months' time, it is found that the best interests of the Commonwealth are not being conserved through the lack of a fifth Judge, nothing can be simpler than to introduce an amending Bill.

Senator KEATING (Tasmania—Honorary Minister) [9.22].—I should have thought that the papers circulated amongst honorable senators, apart from their own personal knowledge of what has taken place, would have convinced them that it is desirable that the High Court should be numerically increased to the extent proposed by this Bill. My honorable friend Senator O'Keefe, in moving his amendment, seemed to think that the whole object of the increase in the strength of the High Court was to enable a member of the Bench to devote some time to the consideration of matters arising in connexion with the Conciliation and Arbitration Act. He did not refer at all to the difficulties with which the High Court is confronted in other respects—to its practical inability to deal with matters of original jurisdiction, for instance. The Court, as I pointed out in moving the second reading, is constituted under the Judiciary Act, and invested with jurisdiction under it. But, apart altogether from the provisions of the Judiciary Act, many of the Federal Statutes directly invest the Court with original jurisdiction. I made special reference to that in my second-reading speech. What bulks large in the public eye in regard to the work of the Court is

entirely its appellate work, and honorable senators who will peruse the papers will see that it has had practically to relegate its original jurisdiction work to the background. In the last memorandum appearing in the papers, that from the Principal Registrar of the High Court, Mr. Gordon Castle, under date 10th July, it is stated—

In 1906, the High Court has continuously been engaged from the close of the summer vacation until the commencement of the winter vacation, either in holding sittings or travelling to hold sittings. As the greater part of the business before the Court had to be dealt with by a Full Court of three Justices, no Justice has been available to try original jurisdiction cases, or cases in the Court of Conciliation and Arbitration. Notwithstanding the continuous work, the Court has been unable to dispose of all the business on the lists, and certain cases have had to stand over until the next half-year.

That refers to cases in original jurisdiction—

In Sydney, there are 8 cases now awaiting hearing, in Melbourne 5, in Brisbane 1, and in Perth several more. The Registrar at Perth expects that there will be quite 20 cases for hearing by the time the Court sits there in October next. The Deputy-Registrar in Melbourne expects that 2 or 3 additional cases will be set down within the next few days.

Later on in the same memorandum Mr. Castle states—

In my opinion, there is no reason to expect any falling off in business in the future. The increase in business has been continuous, and, although perhaps the business will not continue to increase at the same rate as it has in the past two years, I believe that it will continue to increase, especially in the States of Western Australia and Queensland.

Mr. Castle concludes—

The original jurisdiction work of the High Court has been substantial, if not large. Apart from matters which have been dealt with before the Full Court, sittings before single Justices have occupied 33 days. Judging from the amount of business during the past half-year, and the amount of business already waiting for the present half-year, I do not see how, with the Court as at present constituted, the original jurisdiction work could receive attention without delaying the appellate work.

Senator O'KEEFE.—As at present constituted.

Senator KEATING. — That is the opinion of the Principal Registrar, who is in touch with the different district registrars, and knows the work that has been done, and has means of ascertaining the prospects of work in the various States. Mr. Castle is speaking of the work of the High Court pure and simple, exercising the jurisdiction with which it is invested under the Judiciary and other

Acts, excluding for a moment the Arbitration and Conciliation Act. In those papers there is also a memorandum by the same officer in his capacity as Industrial Registrar. This is a report on the work of the Commonwealth Court of Conciliation and Arbitration, and the prospects of the business likely to engage the attention of the Court. After referring to the Merchants Service Guild dispute, which brought prominently under the notice of the Government the necessity for increasing the strength of the Court, Mr. Castle goes on to say—

Already, three actions and four appeals are awaiting a sitting in Perth, and the Registrar of the High Court there expects that a good many more cases will be set down before October.

In paragraph 2 Mr. Castle says—

There are two appeals from the Registrar to the President pending in Sydney. These have been postponed until the decision of the High Court on a special case, referred to it by the President, has been given.

It has been interjected and stated that there is no reason to anticipate any large amount of work for the Court of Conciliation and Arbitration. After referring to the work that is actually in prospect before the Court. Mr. Castle in paragraph 3, proceeds to anticipate—and no one should be in a better position to do so—the work of this Court—

I have heard from the representatives of the organizations concerned that there is a probability of disputes in relation to the wood-working timber yard and saw-milling industry, and in relation to the Butchering industry, including the frozen meat trade, being submitted to the Court.

Senator O'KEEFE.—Has it been proved that such cases can be constitutionally brought before the Federal Court?

Senator KEATING.—I presume that Mr. Castle, who is well acquainted with the constitutional aspect of the matter, and was asked to report on the prospective work, would not commit himself to such a statement without foundation.

Senator O'KEEFE.—It is possible there may be a desire to bring such cases before the Court.

Senator KEATING.—I am not going to anticipate the decision as to whether or not such cases may constitutionally come within the jurisdiction of the Court.

Senator O'KEEFE.—It has an important bearing.

Senator KEATING.—I am not going to determine either the merits or the constitutionality of the cases.

Senator DE LARGIE.—Has the union referred to been registered?

Senator KEATING.—I am not in a position to say. Mr. Castle is Registrar, and he was asked to furnish a report on the business, and the prospects of business in the several registries under the Act. Mr. Castle, by virtue of his position, naturally knows the constitutional bearing of the cases which may possibly come before the Court, and that is the report he made.

Senator DOBSON.—Does Mr. Castle mean to say that the disputes referred to will extend beyond one State?

Senator KEATING.—Mr. Castle simply says that he understands disputes regarding these industries will be submitted to the Court?

Senator DOBSON.—Does the Minister really believe that the Arbitration Court will keep one Judge employed?

Senator KEATING.—I do not suppose that it is possible Mr. Castle would submit fictitious cases.

Senator DOBSON.—I do not suppose so either; but does the Minister believe that the Federal Conciliation and Arbitration Court will employ one Judge all the year round?

Senator KEATING.—I am not in a position to say.

Senator DOBSON.—I do not believe it will.

Senator KEATING.—The honorable senator's predictions with regard to the work of the Judiciary have been falsified in every minutest detail. I have the honorable senator's speeches here, and I perhaps will give him the benefit of them, and then honorable senators will be in a position to estimate the value of his predictions. When it was proposed to establish the Judiciary Senator Dobson said there would be absolutely nothing for the Judges to do, and that the Court would be the third in the Commonwealth, ranking after the Courts of New South Wales and Victoria. Mr. Castle goes on to say—

I have noticed lately, paragraphs in the newspapers which indicate that a dispute between the Shearers' Union and the pastoralists might arise at any time. All the industries affected are large and increasing industries, and disputes, should they arise and be referred to the Court, would almost certainly take a long time to settle.

Senator DOBSON.—Why not wait until the probability is a certainty?

Senator KEATING.—That is the same argument the honorable senator brought before us previously. The honorable senator then asserted dogmatically that there was not a case awaiting the attention of the High Court, but four honorable senators interjected to the effect that there were cases waiting in their own States. Every one of those cases has since been tried, and the work of the High Court has multiplied considerably. As Senator Best has pointed out, the work to which the members of the High Court have applied themselves has been done with expedition, but the reports show that the whole of the work cannot be dealt with. It is stated that some of the work will have to be left over until next half year—that is stated in a memorandum written as far back as July last. With all these circumstances before them, the Government asked the Justices of the High Court to fully consider the matter, and report what increase in strength, in their opinion, the High Court should receive. The Chief Justice, speaking on behalf of himself and colleagues, expresses the opinion that the strength of the Bench should be increased by the appointment of two additional Justices. I do not think that any honorable senator will imagine for a moment that the request preferred by the learned Chief Justice for two additional colleagues is based on any belief or desire that he or his colleagues will be relieved of work which they legitimately and reasonably might do. The reputation of the honorable and learned Chief Justice for industry in his profession, both before he was elevated to the Bench and since, is so great that no honorable senator will imagine that he is going to waste any of his time or devote it to other purposes when he might be performing the judicial work of the Commonwealth. We may reasonably infer that when, after full consideration, he recommends that the strength of the Bench should be increased by the appointment of two additional Judges, there is ample work to keep the whole of the five Judges employed—that five is the minimum number, if we are to have regard to the individual rights of the members of the community and expedition in the administration of justice. Unless honorable senators are absolutely satisfied that the Chief Justice has made a recommendation which he, intimate

as he necessarily is with all the circumstances, knows to be extravagant, I ask them to support the Government in carrying out the recommendation made by him on behalf of himself and colleagues.

Senator DOBSON (Tasmania) [9.35].—Senator Keating might use arguments that are fair and reasonable; but the case has been placed by him before the Committee in a very unfair way. I do not for one moment wish to impugn the opinion of the Chief Justice, who must know better than we do; but I point out that, while the Minister declares that the Chief Justice claims that five Judges are absolutely necessary, Mr. Castle, on whose evidence the Minister appealed to the Committee in the first instance, says nothing of the kind.

Senator KEATING.—He was never asked, and it is not likely he would be asked.

Senator DOBSON.—Neither the Minister nor the Chief Justice can contend that two additional Judges are necessary unless the Conciliation and Arbitration Court is taken into consideration. I cannot conceive that the business of that Court will occupy one Judge all his time, and Mr. Castle, on whose evidence the Minister relies, only speaks of probability. Mr. Castle does not give a single instance of a dispute which he thinks will extend beyond one State, but he mentions a number of cases in connexion with which he hears that some technical or preliminary point may have to be submitted. I contend that no case has been made out for the appointment of a fifth Judge, though there is room for the appointment of a fourth. In the interests of economy, without which Tasmania's finances will get into a very disastrous condition, I feel bound to vote against the clause. Senator Keating has said nothing to convince me that a fifth Judge is necessary at the present moment, and until the necessity arises a fifth Judge should not be appointed.

Senator DE LARGIE (Western Australia) [9.40]. — The case presented by Senator Keating for the appointment of more than one additional Judge is very weak. I certainly expected when the honorable Minister rose, to hear much stronger arguments presented in favour of the Bill, but the honorable gentleman had to fall back on the communications of Mr. Castle, who, in my opinion, does not present sufficient evidence in favour of so large a demand. If one additional Judge be appointed, and, first of all, undertakes

the work of the Arbitration Court, we shall find that much of the so-called block will be removed. I have a suspicion—and I think this has had more influence than anything else—that there is a reluctance on the part of the Judges to do the work of the Arbitration Court. I do not blame the Judges in that connexion, because the work is of a very delicate kind for a Judge to perform. There have been so few registrations, and there are so very few cases likely to come forward for hearing, that I do not think there will be much work for the Judge of the Arbitration Court to do. In my opinion, three months in the year will be sufficient to meet requirements in this connexion, and the additional Judge could devote the rest of his time to the usual work of the High Court. It would be far preferable to appoint a fourth Judge now, and a fifth later on if necessary, because, as has been pointed out, if we appoint two additional Judges it will be impossible to dismiss one, should his services not be required. I shall support the amendment.

Senator O'KEEFE (Tasmania) [9.43].—I certainly expected that the Minister would have presented a stronger case. The honorable gentleman relied very strongly on the following paragraph in the report by Mr. Castle:—

I have heard from the representatives of the organizations concerned that there is a probability of disputes in relation to the wood-working timber yards and saw-milling industry, and in relation to the butchering industry, including the frozen meat trade, being submitted to the Court.

I cannot help saying that I think Senator Keating rather shirked the arguments which I presented, and it seems rather necessary to repeat them. It will first have to be made clear that such disputes as are there referred to can be brought within the jurisdiction of the Arbitration Court. It would not take very long to ascertain the facts; but Mr. Castle writes as if it had already been demonstrated that disputes in the industries mentioned can be constitutionally settled by the Federal Court. As a matter of fact, seeing that in some States Arbitration Courts have not been established, it would be a good thing if a number of those disputes could constitutionally be brought before the Federal Court. I know that many senators do not hold that view, but there is a general opinion that there are only three or four kinds of disputes which will ever come within the

jurisdiction of that Court, as the Constitution will not allow the Court to deal with disputes which do not extend beyond the borders of one State. When the Arbitration and Conciliation Bill was before this Chamber, I expressed the hope that it might be possible for disputes in the mining industry, for instance, to be brought within its provisions; and equally it would be good if the cases indicated by Mr. Castle could be heard by the Court. But whatever view we hold on that point, we have to remember that we are ~~face~~ to face with a constitutional difficulty, and until it is decided whether or not such disputes can properly be brought before the Arbitration Court, what work will there be for that Court to do? Once the cases which are now pending were settled—and, surely, it will not take the President long to settle them—it is very probable that he would not be called upon to do more work in that Court than would occupy his time for more than two months in the year. The Minister did not make out a very strong case for the clause. I would ask him, if he speaks again, not to shirk the question as he did before, but to say whether, as a lawyer, he thinks that such disputes as those which may arise in connexion with timber-yard employes and butchers are ever likely to go before the Arbitration Court.

Senator KEATING.—Undoubtedly, if the ordinary condition be present—that the dispute extends beyond the limits of a State.

Senator O'KEEFE.—How long will it take the Arbitration Court to say whether such cases can be constitutionally brought before it?

Senator MCGREGOR.—Not until the High Court has settled the constitutional point.

Senator O'KEEFE.—Does the honorable senator mean to say that when one of these cases has been settled it will not dispose of all the others.

Senator KEATING.—No.

Senator O'KEEFE.—At any rate, it will settle a large number of them.

Senator KEATING.—I am very sorry to hear the honorable senator make such a statement.

Senator O'KEEFE.—Suppose that a dispute arises amongst the wood-workers in Victoria, and that it is taken before the Arbitration Court. The Court will give its

judgment as to whether it can constitutionally hear and settle the dispute.

Senator MCGREGOR.—It cannot hear and settle such a dispute, as the honorable senator ought to know.

Senator O'KEEFE.—If it does not extend beyond the limits of a State—

Senator MCGREGOR.—There is no doubt that it will.

Senator O'KEEFE.—Is there a certainty that the dispute will extend beyond the confines of a State?

Senator MCGREGOR.—Yes, because the unions will be federated.

Senator O'KEEFE.—My argument is that when it is decided that a case of this kind cannot constitutionally be brought before the Arbitration Court, other cases will lapse, and the unions will rely on the State Conciliation and Arbitration Act or the Factories Act, or, if there is no such legislation, they will probably demand that it shall be enacted.

Senator FINDLEY.—The honorable senator is taking a very optimistic view of the future in regard to disputes.

Senator O'KEEFE.—No. I am asserting that it has not yet been satisfactorily determined what class of cases can be brought before the Arbitration Court. If the Court says that within the four corners of the Constitution Act it is not able to hear such cases, there will be an end to them. In my opinion, there is a very strong probability that not many of these disputes will ever come before the Arbitration Court. In that case, what necessity is there for appointing a fifth Justice at the present time? It has been said that the appointment of a Judge, when once made, could not be annulled. Of course, it would be unpleasant to cancel an appointment, and, therefore, it would not be done. Probably Parliament will be sitting in February or March next, and if, by that time, it be found that a fifth Justice was required, would any injustice have been done to any litigants by having had to wait a few months to get their cases settled? I think it would be far better to appoint a fifth Justice then than to appoint two Justices now. In my opinion, the appointment of an additional Justice will lead to the disappearance of many cases in the Arbitration Court. Senator Dobson has referred to the question of the cost to Tasmania, but that is a very small matter. I believe that there is not one person in the

State who would object to the expenditure of £150—its share of the cost—if that be necessary in order to secure the proper administration of justice.

Senator MCGREGOR (South Australia) [9.51].—Senator O'Keefe is losing sight of the strongest argument for the appointment of two additional Justices, and that is the advice of the Chief Justice of the High Court. He raises a side issue when he refers to the opinion of Mr. Castle in connexion with arbitration cases.

Senator O'KEEFE.—Has the honorable senator ever heard of the Chief Justice of a State recommending the appointment of additional Justices when they were not necessary?

Senator MCGREGOR.—Every speaker has bestowed almost unstinted praise upon the judgments of the Chief Justice. Every one has said that his judgment is almost infallible.

Senator O'KEEFE.—I did not say so.

Senator MCGREGOR.—The honorable senator certainly did not say so, but he said something very much like that when he spoke on the second reading of the Bill. But, apparently, when the Chief Justice gives his advice to the Government or to the Parliament, it is not held to be worth two-pence. His judgment is not to be compared with the great sacrifice that has to be borne by Tasmania, where the people have been taught by their leading men that it is virtually a crime to put their hands into their pockets to pay their way, and to make the country prosperous. They are behind every other State. If the local statesmen had any acumen, they would perceive that Tasmania has great potentialities—that it might be made the greatest State in the Commonwealth. But they will not move. They must cringe and crawl to the lowest feelings of the people.

Senator O'KEEFE.—Why not discuss the Bill?

Senator MCGREGOR.—I am discussing the Bill from the point of view of the High Court, and not from the point of view of the Arbitration Court. No Justice or officer of the High Court has ever suggested that the Arbitration Court would occupy all the time of a Justice, because no one can tell what is likely to happen. According to the Chief Justice, it is the work of the High Court which requires additional appointments to the Bench to be made. We

are told that there are cases in the High Court which cannot possibly be heard for at least six months, and that by next October there will be twenty cases in Western Australia waiting to be heard. I suppose that the Tasmanians cannot go to law because, unlike the Western Australians, they have not the money, and no doubt that is the reason why they are indifferent about the manning of the High Court Bench. Senator O'KEEFE ought to know that a dispute arising in Victoria or New South Wales or Tasmania, if confined to the limits of the State, cannot come before the Arbitration Court.

Senator O'KEEFE. — Every one knows that.

Senator MCGREGOR.—Then why did the honorable senator quote cases of that kind as cases which would have to be decided by the Arbitration Court?

Senator O'KEEFE.—The honorable senator misunderstood me.

Senator MCGREGOR.—The honorable senator ought to know that nearly every one of the workmen's associations in the different States is becoming federated throughout Australia. They realize that they cannot take advantage of the Federal Arbitration Court unless there is a federation of all the persons engaged in the same line of business in all the States.

Senator O'KEEFE.—Will the mere act of federating make it certain that their disputes can be heard by the Arbitration Court?

Senator MCGREGOR.—No, as the honorable senator ought to know.

Senator O'KEEFE.—I do know, but the honorable senator assumes that it will.

Senator MCGREGOR.—When the members of a trade are federated, it will force the Employers' Associations throughout Australia to federate too, and then the work of the Arbitration Court will really commence. It will be called upon to deal with disputes of a national and not of a local character. Can any honorable senator suggest when that time will occur? It might happen next year. Things move so rapidly now, that what are only isolated associations to-day might, within six months, embrace all Australia as regards both workers and employers. It is that position which makes it impossible for Mr. Castle, or any one else, to say what the

work of the Arbitration Court is likely to be. It is for the work of the High Court and not of the Arbitration Court, that the services of two extra Justices are required. Honorable senators have been told that in original jurisdiction, the High Court has not been able to do any work. It has not been able to hear, as it ought to be able to hear, the appeals from the decisions of the Courts in the States. When it is placed in a position to deal with such appeals, then its work in original jurisdiction will really begin. I am sure that when it consists of five Justices, they will have any amount of work to do. The experience of Canada and America leads me to think that it will be more satisfactory and, so far as the people are concerned, more economical, to have a High Court which can deal speedily with all cases which may be submitted. It is a disastrous thing for litigants to be obliged to wait for months, in some cases for years, before they can get a decision. If we desire to prevent the occurrence of such delays, we ought to favour the appointment of two extra Justices.

Senator CROFT (Western Australia) [10.0].—I shall support the clause as it stands. I think it is admitted by Senator O'Keefe that there is too much work already for the Justices of the High Court to do. In view of that fact, and also of the possibility that the Commerce Act and the Australian Industries Preservation Bill when passed will probably encourage litigation, we may take it for granted that the work of the High Court will be increased to such an extent as to justify the presence of five Justices. What concerns me most is the fact that although we have an Act not only for the settlement of disputes, but to encourage unions of both employers and workers to approach the Arbitration Court, in order that equitable working conditions and wages rates throughout the States shall as far as possible be established, it cannot be taken advantage of to any extent until the services of a Justice of the High Court are available. Until the Bench is strengthened, unions will hesitate before they approach the Arbitration Court for the settlement of any disputes, or for the purpose of trying to regulate the wages in a trade in order to enable the better class of employers to compete with their rivals on fairer lines. For these reasons, I feel justified in voting for the appointment of two extra Justices. Digitized by Google

Question—That the word proposed to be left out be left out—put. The Committee divided.

Ayes	7
Noes	17

Majority	10
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AYES.

Dobson, H.	}	O'Keefe, D. J.
Macfarlane, J.		Styles, J.
Millen, E. D.		<i>Teller:</i>
Mulcahy, E.		De Largie, H.

NOES.

Baker, Sir R. C.	}	Pearce, G. F.
Croft, J. W.		Playford, T.
Drake, J. G.		Pulsford, E.
Gould, A. J.		Smith, M. S. C.
Guthrie, R. S.		Stewart, J. C.
Henderson, G.		Symon, Sir J. H.
Higgs, W. G.		Turley, H.
Keating, J. H.		<i>Teller:</i>
McGregor, G.	Findley, E.	

PAIR.

Gray, J. P.	Trenwith, W. A.
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Question so resolved in the negative.

Amendment negatived.

Clause agreed to.

Clause 3—

Section 86 of the Judiciary Act 1903 is amended by inserting after paragraph *g* the following paragraph: "*(g a)* Providing for the admission of persons to practise as barristers or solicitors in any Federal Court, and prescribing the conditions of and qualifications for admission and continuance of the right to practise as aforesaid."

Senator Lt.-Col. GOULD (New South Wales) [10.6].—I should like to hear reasons for the insertion of this clause. As matters now stand, I understand that any person who has been admitted to either branch of the legal profession can be enrolled, if he chooses to make application, as a person competent to practise before the High Court. Before a man is placed in a position to practise as a barrister or a solicitor in a State, he not only has to pass examinations, but also to produce a certificate as to character and respectability. It appears to me that those qualifications are sufficient to protect the Federal Court from having undesirable practitioners before it. If a solicitor were struck off the rolls, or a barrister were disbarred, that would be a reason for his disqualification to practise before the High Court. I should like to hear the reasons which have induced the Government to insert this clause.

Senator KEATING (Tasmania—Honorary Minister) [10.9].—What it is proposed to do is to give the High Court a power which it may or may not exercise at its discretion. Under section 86 of the Judiciary Act, the Court is given power to make rules for several purposes—for appointing and regulating the sittings of the Court, for regulating procedure, pleading, and practise, regulating matters relating to the duties of officers, prescribing forms to be used, regulating fees to be charged by practitioners, and fees to be collected by officers of the Court, prescribing the extent to which the Act shall be applicable to the Courts of Territories of the Commonwealth, and generally regulating all matters of practise and procedure. All that it is proposed to do in this clause is directly to empower the Court to make regulations for the admissions of persons to practise as barristers and solicitors, and to prescribe the conditions of and qualifications for admission. We do not throw upon the High Court any obligation to make such provision, but simply empower it to do so, leaving it to the Court to act as it thinks fit. At the time we passed the Judiciary Act, it was necessary to make provision as to persons who would be entitled to practise before the High Court, and it was considered only reasonable that every practitioner admitted in a State should be entitled to practise before the Federal Court. We now propose to empower the High Court to make regulations regulating admission in regard to other persons. The Court has had the advantage of experience in every State, and has come into contact with the Bar in every State. It will be able from its experience to exercise this power if it thinks fit. We throw no duty upon the Court, but simply give it the right to exercise the power prescribed.

Senator Lt.-Col. GOULD (New South Wales) [10.11].—I cannot see the necessity for the clause, even after the explanation of the Minister. In section 49 of the Judiciary Act, it is expressly provided that a person entitled to practise as a barrister or solicitor in any State shall have the right to practise before any Federal Court, provided that he produces to the Principal Registrar evidence showing that he is so entitled. There is also a sub-section enabling the High Court to direct the name of any person to be struck off the register, upon proof that he has been guilty of conduct which renders him unfit to be allowed

to continue to practise before the High Court. It appears to me that the Judiciary Act has already made ample provision in this connexion.

Senator KEATING.—Why should admission by a State be the sole qualification? It is quite possible that there are competent men who have never been admitted to a State Court, and who may nevertheless desire to practise before the Federal Court.

Senator Lt.-Col. GOULD.—If it is desired to enlarge the number of persons who may practise before the High Court, my objection is to some extent removed. But at the same time, a grave question arises as to whether it is necessary to take a step of this character. It is perfectly well known that a man who wishes to practise before the Federal Court will be all the better qualified if he is a practising solicitor or barrister in a State Court.

Senator KEATING (Tasmania—Honorary Minister) [10.25].—Take the case of an appeal in which perhaps New Zealand interests are involved. A New Zealand practitioner may be retained by the persons whose interests are affected, and who may desire that he shall appear before the High Court. At present, he would have to get enrolled in a State before he could practise before the High Court. Or it might be that in a case where English interests were involved, an English barrister might be sent over. Are we going to say that he shall not be allowed to practise in the High Court unless he is first admitted in a State?

Senator DOBSON (Tasmania) [10.16].—I do not think that Senator Keating has completely answered Senator Gould's objections. Section 49 of the Judiciary Act provides amply for the admission of barristers and solicitors to practise before the Federal Courts. This clause practically takes it out of the hands of the States Courts to admit barristers and solicitors to practise before the High Court. It appears to conflict with the power which the States Courts have to admit men to practise before the High Court by virtue of their being admitted to practise before States Courts. Senator Keating urges that some learned person not being a barrister of a State Court may wish to appear before the High Court. But the clause does not specifically provide for that. The clause appears to me to conflict with section 49 of the Judiciary Act.

Senator KEATING. — It does not conflict with it; it adds to it.

Senator DOBSON.—It should add to it in a proper way. The clause under consideration is quite inconsistent. I move—

That after the word "Court," line 5, the following words be inserted, "who are not practising barristers or solicitors of a State Court."

Amendment negatived.

Clause agreed to.

Title agreed to.

Bill reported without amendment; report adopted.

ADJOURNMENT.

UNITED SHOE MACHINERY COMPANY.

Motion (by Senator PLAYFORD) proposed—

That the Senate do now adjourn.

Senator PULSFORD (New South Wales) [10.19].—Yesterday Senator Guthrie made some remarks reflecting upon a statutory declaration which I read to the Senate on Thursday last, signed by Mr. Henry Best. To-day I have been handed—

The PRESIDENT.—Can the honorable senator on this motion allude to a former debate in the present session? I do not think so. If he wishes to make a personal explanation he can do so when there is no other business before the Senate; but it is one of the rules of the Senate that the subject matter of a former debate of the present session cannot be alluded to.

Senator Lt.-Col. GOULD.—Is it not competent to refer to a matter of this kind on the motion for the adjournment?

The PRESIDENT.—No. The same rule governs motions for the adjournment as governs other matters, except that irrelevant subjects may be debated.

Senator Lt.-Col. GOULD.—Senator Pulsford is only attempting to explain a matter in which he is personally concerned.

The PRESIDENT.—I did not wish to stop the honorable senator, but the standing order provides that an honorable senator shall not refer to a former debate of the present session. The standing order governs a motion for the adjournment, just as it governs any other motion. Therefore, I do not see how I can permit him to proceed.

Senator PULSFORD. — Cannot I do what I desire, as a matter of personal explanation?

The PRESIDENT.—No. The honorable senator cannot make an *ex parte* statement at this stage. To make a personal

explanation he would have to obtain the indulgence of the Senate. I do not think it can be allowed.

Senator PULSFORD.—Perhaps I may mention the matter to-morrow?

The PRESIDENT.—I do not wish the honorable senator to misunderstand the position. He desires to make a personal explanation. He must ask the indulgence of the Senate, and the matter is one that cannot be debated. In making a personal explanation, he can only explain how he has been misunderstood, or in what respect statements made concerning him were not correct.

Question resolved in the affirmative.

Senate adjourned at 10.22 p.m.

House of Representatives.

Wednesday, 22 August, 1906.

Mr. SPEAKER took the chair at 2.30 p.m., and read prayers.

SPECIAL ADJOURNMENT.

Motion (by Mr. ISAACS) agreed to—

That the House, at its rising, adjourn until half-past 3 o'clock to-morrow.

LEAVE OF ABSENCE.

Motion (by Mr. ISAACS) agreed to—

That leave of absence for one month be given to the right honorable member for Adelaide on the ground of ill-health.

TARIFF REFORM: VICTORIAN METAL TRADES.

Mr. REID.—In the absence of the Minister of Trade and Customs, who, I suppose, has another engagement in the Hume electorate, and of the Prime Minister, I wish to ask the Attorney-General a question without notice. In view of the alarming statements which have been made by him as to the terrible sufferings of those connected with the metal trades of Victoria, because of the low duties of the present Tariff, is the honorable and learned gentleman now in a position to tell the House that their condition has improved, or whether it remains the same? I am sure that we shall all be glad to hear—if my honorable and learned friend can give us the assurance—that the dreadful state of

things to which he referred some time ago no longer continues, and that the position has to some extent improved. If it has not improved, do the Government intend to take prompt measures to deal with it?

Mr. ISAACS.—The Prime Minister will be here very shortly. The matter to which the right honorable member refers will be dealt with without delay, and all information relating to it will be placed before honorable members on the introduction of the Tariff proposals.

Mr. REID.—That will be done this session?

Mr. ISAACS.—Certainly.

DUTY ON HARVESTERS.

Mr. JOHNSON.—I had intended to ask the Minister of Trade and Customs a question without notice; but as he has again deserted his Ministerial post, and run off to his electorate, I ask whichever Minister is representing him here if his attention has been drawn to the following statement, referring to the price of harvesters, which appears in a letter published in this morning's *Argus*:—

As anticipated by the majority of farmers, the proposed extra duty of 12½ per cent. on harvesters has already resulted in an increase of prices, some of the leading manufacturers having raised the price of their machine, contrary to their promise to the Commission, one manufacturer especially charging £5 more per machine now than they were charging a month previously, having revoked their price-list about six weeks ago (presumably in anticipation of the additional duty), and issued a revised one last week to the above effect.

I should like to know whether the Minister has seen that letter, and whether, in face of the fact that an increase in prices has taken place, the Government intend to go on with their proposals for raising the duty? I should also be glad to know whether the Minister will be good enough to inform the farmer who is the writer of the letter which I have quoted where he can find the obliging foreigner who, according to the protectionists, pays the duties?

Mr. ISAACS. — The answer which I have given to the question just asked by the right honorable member for East Sydney will apply to this question too.

PERSONAL EXPLANATION.

Mr. MAUGER (Melbourne Ports) [2.34].—I desire to make a personal explanation in reference to a matter referred to by the

leader of the Opposition last night, in order to explain a mistake which has been made in quoting a passage from his *Free-trade Essays*. On the 19th June of last year, I delivered, in the Temperance Hall, a lecture entitled "Protection—Past, Present, and Future." I prepared the lecture carefully, writing it and reading it, and I have here the manuscript, which I shall have pleasure in showing to the right honorable gentleman if he cares to see it. On the 17th page of the manuscript appears the following quotation from an essay written by the right honorable gentleman—

Will it not be time enough to manufacture everything for ourselves when we can save—instead of now, when we would lose, by the operation? Will it not be well to reap the advantages of the pauper labour of other countries until we are so great a nation that we have pauper labour of our own?

MR. REID.—That quotation is correct, although a sentence has been left out which should have been given.

MR. MAUGER. — The lecture was reported in the *Age* on the day following its delivery. The report was, of course, a condensed one, as the lecture took an hour and three-quarters to deliver. Knowing the man who wrote the report, it is only fair that I should say that I believe that the mistake was the result of condensation or of an error. I do not think that the alteration complained of was wilful or malicious.

MR. REID.—Instead of there being condensation, words were added to what I wrote. Two words were inserted in the place of one left out.

MR. MAUGER. — The report of the lecture has since been reprinted from the *Age*, and issued in pamphlet form; but, now that it appears that the quotation in question has been wrongly reported, I am sure that the executive responsible for the pamphlet will withdraw it, and see that the quotation, if published at all, is published correctly.

MR. REID.—I should like to find out who put the words in.

QUARTERMASTER-SERGEANT BURNS.

MR. THOMAS (for Mr. HUGHES) asked the Minister representing the Minister of Defence, *upon notice*—

1. Is it a fact that the Government have declared that the case of James Burns, of the Volunteer Permanent Staff of New South Wales,

is not one for their consideration, but is one for the State Government to deal with?

2. Did James Burns serve on the Volunteer Permanent Staff of New South Wales for a period of ten years one month and twenty days—from 11th December, 1885, to 31st January, 1896?

3. Did James Burns serve as a volunteer with the late New South Wales Contingent in Egypt, in the rank of a colour-sergeant, and was he mentioned in despatches?

4. Did Major-General Hutton, at the first infantry school of instruction, single James Burns out as an example of smartness and ability to the other staff-sergeants?

5. Did Major-General Hutton, besides publicly commending Quartermaster-Sergeant Burns to the staff-sergeants, tell the Chief Secretary, after discharging him, that he was one of the best men he had; if so, why was no character entered on his discharge?

6. Will the Government grant him compensation at the rate of a month's pay for each year's service, if his discharge was illegal and wrongful?

7. Was Quartermaster-Sergeant Burns generally acknowledged by his superior officers to possess superior qualifications and ability?

MR. ISAACS.—The answers to the honorable member's questions are as follow:—

1. Mr. Burns was informed that his claim for compensation was not one for Commonwealth consideration.

2. Yes.

3, 4, and 5. There is no information to that effect in the office of the Central Administration. The only information available is to the effect that when Mr. Burns applied for re-employment or compensation in 1902, Colonel MacKenzie, the Assistant Adjutant-General in New South Wales, wrote a minute to the effect that Burns' services were dispensed with in 1896, after two months' leave, that his conduct while on the staff was not too satisfactory, and no trace could be found of his name having been submitted to the State Government for compensation. In forwarding this minute on the 4th August, 1902, General Hutton confirmed Colonel MacKenzie's statement, and added "I should not in any case have been prepared to recommend this ex-Staff-Sergeant for any special consideration, as his conduct was unsatisfactory."

6. No. His discharge took place five years before Federation, and the Government cannot accept any responsibility for same.

7. Not known.

MAJOR LE MESURIER.

MR. MALONEY asked the Minister representing the Minister of Defence, *upon notice*—

1. Is it a fact that Major and Honorary Colonel Le Mesurier—a member of the Military Board of Control—has failed in an examination which has been passed by several militia and volunteer officers?

2. What is proposed to be done with this officer?

Mr. ISAACS.—The answers to the honorable member's questions are as follow:—

1. Major and Honorary Lt.-Colonel Le Mesurier did not pass in an examination of officers of the Permanent Forces for promotion to Lt.-Colonel.

2. In the October examination this officer proposes to again submit himself for examination.

COMMONWEALTH RELATIONS WITH FIJI.

Mr. CROUCH asked the Prime Minister, *upon notice*—

1. Whether the Fiji Islands are included amongst those British Islands in the Pacific with which the Constitution gives authority to the Commonwealth to eventually deal?

2. Whether it is proposed to exercise such control?

3. Whether his attention has been drawn to the Agent-General's report on Fiji published in the *London Times* of 13th July, 1906, in which it appears that the imported Indian coolies had increased from 17,105 in 1901 to 22,790 in 1904, and 25,009 in 1905, whilst the Fijians have decreased by 4,000 in same period?

4. Whether this condition of things does not demand an immediate decision by the Commonwealth authorities as to their future relations with Fiji?

Mr. ISAACS.—The answers to the honorable and learned member's questions are as follow:—

1 and 2. The Constitution, section 51, sub-section xxx., gives the Commonwealth Parliament power to legislate with respect to the relations of the Commonwealth with the islands of the Pacific, but gives no authority to assume any control, nor does it make any distinction between British and other islands.

3. Not until the honorable member gave notice of this question. The Agent-General referred to is believed to be the Agent-General for Immigration—an officer of the Fijian Government Service in Fiji.

4. The present relations between the Commonwealth authorities and those of Fiji are quite cordial.

GENERAL ELECTIONS.

Mr. McCOLL asked the Minister of Home Affairs, *upon notice*—

Whether the Government can inform the House if the general elections can be held not later than the 15th day of November next?

Mr. GROOM.—The answer to the honorable member's question is as follows:—

The Chief Electoral Officer for the Commonwealth has advised that as far as electoral arrangements are concerned the election may be held on 21st November, or on any date after the 21st November next.

QUEENSLAND POSTAL REVENUE AND EXPENDITURE.

Motion (by Mr. WILKINSON) agreed to—

That there be laid on the table a return showing the revenue and expenditure of the Queensland Post and Telegraph Department for each of the five years immediately preceding 30th June, 1900; also, the revenue and expenditure on account of the Postmaster-General's Department for the State of Queensland for each of the five years ended 30th June, 1906.

PACIFIC ISLANDERS IN AUSTRALIA.

Motion (by Mr. CARPENTER, for Mr. MAHON) agreed to—

That there be laid upon the table a return showing—

1. The estimated number of Pacific Islanders in Australia engaged in the sugar industry at 17th December, 1901.
2. The number of Pacific Islanders who were admitted into Australia to work in the sugar industry between 17th December, 1901, and 31st March, 1904.
3. Between 17th December, 1901, and 30th June, 1906, the number of Pacific Islanders engaged in sugar growing who (a) died; (b) quitted Australia.

LANDS ACQUISITION BILL.

SECOND READING.

Mr. GROOM (Darling Downs—Minister of Home Affairs) [2.43].—I move—

That the Bill be now read a second time.

Paragraph xxxi., of section 51, empowers the Parliament—

to make laws for the peace, order, and good government of the Commonwealth with respect to—

The acquisition of property on just terms from any State or person for any purpose in respect of which the Parliament has power to make laws.

Pursuant to that provision, the Property for Public Purposes Acquisition Act was passed in 1901, and sets out the present law relating to the exercise by us of the power possessed by sovereign communities to acquire private property for public purposes; but, as the title of the measure is rather lengthy, it has been thought desirable to shorten it by adopting the "Lands Acquisition Bill" as the title of the measure, the second reading of which honorable members are now asked to pass. It is not proposed to introduce any drastic alteration of principle. In the first instance, the whole of the existing law has been recast with a view to simplify the language and make it easier to comprehend. The old statute was built up upon

the experience of the States, and, as some of the provisions were rather complex, it was desired by the Crown Law authorities to recast the Act and draft it upon simpler lines, rather than to merely make any amendments suggested by the experience gained under the operation of the Statute. The Bill does not purport to introduce into the principles relating to the acquisition of public property for public purposes any drastic provisions. If honorable members will look at the measure, they will find that it is divided into six parts. Part I. contains a number of preliminary provisions. Part II. deals with the acquisition of land. Part III. deals with the exercise of certain powers in relation to lands. Part IV. deals with compensation. Part V. relates to mortgages and encumbrances upon any land that may be acquired under the Bill; and Part VI. contains certain miscellaneous provisions. As regards Part I., it will be seen that several new definitions have been added with a view to making the measure more explicit. Additions have also been made to one or two of the definitions which, perhaps, could be better explained in Committee. In view of a suggestion that has been made. I wish honorable members to particularly notice the fact that the Bill relates solely to the acquisition by the Commonwealth of land required for public purposes, and for dealing with the land so acquired. It is not intended to serve any other purpose. "Public purpose" is defined to mean—

Any purpose in respect of which the Parliament has power to make laws, but shall not include the acquisition of territory for the seat of Government of the Commonwealth under the Constitution.

Mr. GLYNN.—We could not possibly go beyond that.

Mr. GROOM.—No; and I am merely mentioning the matter because some misconception has arisen as to the purpose of the Bill. We could not go beyond the powers possessed by us under the Constitution, and this is merely a machinery Bill for the purpose of enabling us to exercise the authority we possess. In clause 6, a slight change has been made from the original provision. It is provided that after arrangements have been made between the Governor of a State and the Governor-General of the Commonwealth for the acquisition of lands by the Commonwealth, the Governor of the State shall, by virtue

of the measure, have power to execute the documents necessary for the transfer of the land. This provision is made in order to overcome certain difficulties which have arisen under the States laws. Clause 7 does not depart from the original provision. Clauses 8 and 9 relate to cases in which persons have certain interests of a limited nature in connexion with land, which it is sought to acquire, and is intended to enable them to execute the necessary transfer to the Commonwealth. The provision relates to trustees, guardians, committees in respect of lunatics, executors or administrators, and others whose powers are limited under various State Acts such as the Settled Lands Act. A provision has been inserted in order to make it clear beyond all doubt that such persons possess power to transfer land to the Commonwealth under this Bill. The extent to which such power could be exercised was practically provided for in the original statute.

Mr. McCAY.—Would this provision dispense with the necessity for registration under States Acts?

Mr. GROOM.—No.

Mr. McCAY.—I think that it is very capable of being so construed. Would this provision dispense with the necessity of registration by the Commonwealth?

Mr. GROOM.—The provision deals with cases in which property is transferred to the Commonwealth, and whose interest will be registered under the States Acts.

Mr. GLYNN.—The provisions set out that they "may" be registered.

Mr. GROOM.—Yes; but the Commonwealth is placed in the position of a corporation, and provision is made for the necessary presentation to the registrars of the States with a view to the registration of the Commonwealth interest, and it is not likely that we shall depart from that. In clause 10, a change has been made. Under the existing Act provision is made that where land is conveyed to the Commonwealth by trustees or others, such as are referred to in the previous clause, the purchase money paid over to them shall be applied in the manner indicated in sub-clause 2. Now it is proposed that the money may, with the consent of the parties interested, be handed to the trustees, subject to the provisions of a trust declared by a deed approved by the Attorney-General, or may be paid into the High Court or the Supreme Court, to be

applied by the Court in the manner prescribed in sub-clause 2. This provision has been made in order to insure that money which is held practically in trust should be applied to the purposes of the trust.

Mr. GLYNN.—Paragraph *d* is pretty wide.

Mr. GROOM. — That provision was contained in the original statute. The Court always pays due regard to certain well-established principles. In clause 12 a slight change has been made. It is provided that where a person is in possession of land, he shall be regarded as the *prima facie*—not the actual—owner of it. This provision is necessary, because we have met with certain difficulties in dealing with persons who have not been able to give us a satisfactory title.

Mr. JOHNSON.—But how could the Commonwealth acquire land from a person unless they knew he was the owner?

Mr. GROOM.—There is nothing to prevent us from acquiring the land, but it is merely a question of paying over the purchase money.

Mr. JOHNSON.—The money might be paid over to the wrong person.

Mr. GROOM.—The Attorney-General does not pay over the money until he is perfectly satisfied as to the right of the claimant to be regarded as the owner of the property. This provision would meet the case of a person who had been in adverse possession of land for a considerable time. Part II. deals with the acquisition of land, and is practically a re-draft of the original statute. No important departures have been made. The Commonwealth may acquire land in two ways—either by agreement or by compulsory purchase. It is provided that the Commonwealth may acquire any land, but that does not mean that we may acquire land for other than public purposes—an interpretation which, I am sorry to say, has been placed upon it. The whole measure relates to the acquirement of land for public purposes, and the word “land” is used merely for the purpose of short reference in drafting, because it is not considered necessary to specify in every case that the land is to be used for public purposes. Sub-clause 2 of clause 14 is a new provision intended to enable the Minister, without obtaining the authority of the Governor in Council, to enter into short leases of a minor character, such as might

be necessary in the case of post-office premises. In a later clause, the Minister is empowered to give short leases as well as to acquire them. The provisions relating to the acquisition of land by compulsory process are practically the same as those contained in the Act. The Governor-General has power to acquire land after giving notice, which is to be published in the *Government Gazette*. At present, it must also be advertised in the newspapers. The notice is to be published in the *Gazette*, and laid upon the table of the House, and in clause 18 provision is made for the service of the notice. Under clause 16 the publication of the notice in the *Gazette* will have the effect of vesting in the Commonwealth the interests of the owner in the land that has been acquired.

Mr. McCAY.—Paragraph *b* of sub-clause 1 might operate very harshly against many persons. Take, for instance, the case of the owner of an adjoining tenement having an easement over the land acquired.

Mr. GROOM.—We could also acquire the easement by compulsory acquisition, if necessary.

Mr. REID.—But the owner of the easement could not make a claim.

Mr. GROOM.—The owner of any interest in the land is afforded an opportunity to make his claim.

Mr. GLYNN.—The definition of “land” covers easements.

Mr. REID.—That meets the difficulty.

Mr. GROOM.—Part III. deals with the powers of the Commonwealth in relation to lands. When it is necessary to acquire land it sometimes becomes essential to make surveys beforehand, and clause 21 empowers the Minister or any persons authorized by him to enter upon any land and make surveys, take levels, sink pits, and examine the soil, and do any thing necessary for ascertaining the suitability of the land for any public purpose. I am sorry to say that this provision seems to have been misunderstood. The Minister will be empowered merely to enter upon the land and to make the necessary examination so that he may ascertain its suitability for any public purposes. For example, if we desired to acquire land to be used as a site for a fort, or any work of that description, we should have power to enter upon the land and find out whether suitable foundations could be obtained.

Mr. GLYNN.—That is quite a common provision in the States Acts.

Mr. GROOM.—Yes, it is.

Mr. JOHNSON.—Would mining be regarded as a public purpose within the meaning of the Bill?

Mr. GROOM.—We have no power under the Constitution to deal generally with mining. The sinking of pits referred to would have nothing to do with mining, but would merely enable us to ascertain whether suitable foundations could be obtained for the contemplated public buildings or works.

Mr. JOHNSON.—What I mean is, would the acquisition of land entitle the Commonwealth to all the minerals lying in or under the land?

Mr. GROOM.—That is another point, with which I shall deal later on. I am merely explaining the purpose of the provision, because some misconception has arisen in regard to it. Part IV. deals with compensation, and is practically a re-draft of the sections of the existing law. With regard to the claim for compensation, some slight change has been made. Under the existing law, it is necessary to serve notice of claim upon the Minister of Home Affairs and also upon the Attorney-General. Only one notice is really necessary, and accordingly we provide that notice shall be served upon only one Minister. Under clause 33, we further extend the time within which a person may serve that notice. He may present it within 120 days after the publication of the notification of acquisition, or within 120 days after the completion of the acts in respect of which compensation is claimed. We further give the Minister power to extend the time for making any claim, instead of requiring the matter to be referred to the High Court. Clause 36 of Division III., however, does contain important alterations of the existing law. The existing methods of settling disputes are to be superseded. It provides three ways in which disputed claims may be settled. A disputed claim may arise in this way: After the Minister has acquired the land in the manner prescribed by the Bill, a notice of claim for compensation may be served upon him. The Minister may then offer the claimant a certain amount in satisfaction of his claim, and if the claimant does not, within sixty days thereafter, accept it or if the Minister notifies the claimant that he disputes the claim for compensation, the

claim shall be regarded as a disputed one. Clause 36 provides three ways in which such a claim may be determined: (1) By agreement between the Minister and the claimant; (2) by an action for compensation by the claimant against the Commonwealth; and (3) by a proceeding in a Federal or State Court on the application of the Minister. The first method is, of course, a simple one, in which the parties either arrive at an agreement that a certain price shall be paid, or consent to refer the matter to arbitration. The second method enables an action to be brought by the claimant against the Commonwealth. In this connexion we have made a departure from the existing law. At the present time an action for compensation can be brought only in the High Court. That is an expensive proceeding. In some instances, where very small claims have been in dispute, the Commonwealth has been called upon to pay more than it thought was just, rather than incur the expense of fighting an action in the High Court, and possibly—owing to the peculiar rules in connexion with the payment of costs—be obliged to pay more in the nature of costs than the amount in dispute. With a view to getting rid of that difficulty, and to providing a tribunal for the settlement of disputed claims, the Bill sets out that an action for compensation may be brought either in the High Court or in any State Court of competent jurisdiction. If an action be brought in a higher Court which ought to have been brought in a lower Court, the Judge is empowered to fix a scale of costs proportionate to the amount awarded. In clause 38 a new provision has been introduced. Our trouble has been that, when we acquire a piece of land, and the claim for compensation is in dispute, litigants sometimes decline to proceed with an action. We have an instance of the kind pending at present. It is a case in which we shall have to pay interest upon a large sum which is claimed for compensation, and in which the litigant disputed the amount, and would not institute an action in the High Court. In that instance the hands of the Commonwealth were stayed. With a view to overcoming that anomaly, we provide in clause 38 that, if within six months after a claim for compensation becomes a disputed claim, no action is brought by the claimant, the Minister has power to refer the matter to the High Court, and to have it determined.

In clause 39 another new provision has been inserted. Unfortunately, under the existing law, if the owner of any land which may be acquired be absent from the Commonwealth, there is no method of having the amount of compensation to which he is entitled determined, because there is nobody present to institute an action. Accordingly, we provide that in cases where the owner of land which we wish to acquire is absent from the Commonwealth, and no claim is made within six months, the Commonwealth may make an application to the Court to determine the amount which is payable. We are thus able—according to the amount of the claim which is likely to be involved—to take advantage of a Court of competent jurisdiction.

Mr. REID.—Is that a new provision?

Mr. GROOM.—It is. Under the existing law we can acquire the land, and the Attorney-General is empowered to pay compensation into the Treasury, but there is no means of determining the amount of that compensation. Then the procedure in connexion with the payment of compensation has been altered slightly, and a proviso has been added to clause 40, with a view to expediting that procedure. That is to say, if a claim has been made, and the compensation which has been awarded is less than the amount which the Minister has offered, the compensation shall carry interest only from the date of the claim up to the date on which the offer was made.

Mr. REID.—That is a very harsh provision.

Mr. GROOM.—I do not think so.

Mr. REID.—How can the Minister be satisfied upon the point until the tribunal has determined the amount of compensation payable?

Mr. GROOM.—Under the clause the claimant will get the interest to which he is entitled.

Mr. REID.—Suppose that after the claim has been made he does not accept the offer of the Minister.

Mr. GROOM.—The provision applies only to cases where the claimant proceeds to litigation. However, that is a matter for consideration in Committee. There are one or two minor alterations to which it is not necessary to refer at this stage. Division V. is a re-enactment of the provisions of the existing law, with the exception of clause 49, which relates to the rights of a mortgagee in connexion with lands which are

acquired compulsorily. That is a new provision. In the miscellaneous clauses the only provision to which I wish to refer is clause 62, which relates to mining leases and licences. When the Federation was established, it took over a large number of properties from the States, including rifle ranges in mining districts. These properties passed to the Commonwealth absolutely, and are subject to its exclusive jurisdiction. In Victoria especially, our attention has been drawn to a difficulty which has arisen in this connexion, and the Commonwealth has been asked to consider claims relating to mining operations upon properties which are used for defence purposes. Under the existing Act we have no power to issue mining leases, and yet the State could not take any action regarding the properties to which I allude, because they had passed to the control of the Commonwealth. The matter was brought forward at the last Premiers' Conference, at the request of the Premier of Victoria. It was discussed, and a promise was made that we would introduce legislation upon the lines suggested in clause 62. Under that provision the Governor-General has power to authorize the grant of a lease or licence to any person to mine for metals or minerals on any land which is the property of the Commonwealth.

Mr. JOHNSON.—In New South Wales, when the Crown parts with any land, a reservation is always made in its favour in respect to minerals which may be found there.

Mr. GROOM.—That does not alter the position that when the Commonwealth was established a large number of these properties, by virtue of the Constitution, passed over to it. When we took over the land, we took with it everything that might be found under as well as above the surface. This clause has been introduced in pursuance of a promise which was made at the Premiers' Conference.

Mr. JOHNSON.—I do not think we have power to invade the rights of the States.

Mr. GROOM.—There is no invasion of State rights, and this clause was introduced in pursuance of the promise which was made to the Premiers that we would issue licences to enable persons to mine upon these properties. Inasmuch as it was not deemed advisable to introduce a Commonwealth Mining Act which would apply to all the States, we suggested that the States laws should operate in each in-

stance, and that they should be administered by the State officers.

Mr. McCAY.—By whom may the Governor-General authorize the grant of a lease?

Mr. GROOM.—He authorizes the grant of the lease.

Mr. McCAY. — Would it not be much simpler to enact that leases might be issued under State laws with the consent of the Commonwealth?

Mr. GROOM.—I think that the method provided in the Bill is the better one.

Mr. McCAY.—If the Commonwealth consent is required at any time, it would be much simpler to insert a provision such as I have suggested.

Mr. GROOM.—The idea is not to pass a Mining Act for the Commonwealth, but where mining operations can be carried on without detriment to any land which is vested in the Commonwealth, to enable them to be undertaken. Our object is not—as has been suggested—to acquire land for mineral purposes in order that mining operations may be conducted independently of any public purpose.

Mr. JOHNSON.—The point which I have in my mind is that the sovereign rights of the States to these minerals is not recognised.

Mr. GROOM.—Under the Constitution, the Commonwealth has power to acquire all lands which are necessary for public purposes. If it were found, for example, that if mining operations were carried on underneath a large fort, they would seriously interfere with the value of the land for a fort, we would have power to acquire the whole of that land and everything in connexion with it.

Mr. JOHNSON.—There is a difference of opinion in regard to State rights.

Mr. GROOM.—I do not think that the honorable member has comprehended the position, or he would not have made any such suggestion. It is absolutely essential that we should exercise that power, in order that we may discharge our duties.

Mr. McCAY.—As a matter of fact, there are many cases in which mining might well be carried on, but in which operations are blocked owing to the existing law.

Mr. GROOM.—Exactly. Some of our large rifle ranges embrace areas of 500 or 600 acres.

Mr. McCAY.—At any rate, mining operation below certain depths will be quite harmless.

Mr. GROOM.—That is so. In some cases, it is sufficient for the Commonwealth

to take a grant from the States, still leaving to the latter a reservation as to minerals. We have done that already. The object of the provision is merely to give the Commonwealth rights which are absolutely essential for the acquisition of land for public purposes.

Mr. JOHNSON.—I can see that it is capable of extension far beyond that.

Mr. GROOM.—The honorable member is misconceiving the position. These are the only important changes in the existing Act which we contemplate making, and I now move the second reading of the Bill.

Mr. REID (East Sydney) [3.14].—In the first place, I gather from the Minister that this is a Bill which is practically intended to simplify the previous Act, and to consolidate its provisions.

Mr. GROOM.—That is so.

Mr. REID.—But, as the Minister has intimated, it introduces some changes in the existing law—changes which he has explained. The first question that naturally arises in the mind of any honorable member is, “What is the extreme and paramount urgency of this particular measure”? It is a measure containing some sixty-seven clauses, and in it a number of important points must be considered. I therefore desire to know what is the extreme urgency which warrants it being given preference over measures upon the business paper such as the following: the Electoral Validating Bill and the Bounties Bill?

Mr. GROOM.—The right honorable member may, if he desires, move the adjournment of the debate. I do not wish to proceed any further at this stage with the motion for the second reading.

Mr. REID.—As I have commenced my speech, I cannot move the adjournment of the debate without losing my right to further address myself to the motion. We have on the business-paper the Electoral Validating Bill, the Bounties Bill, the Postal Rates Bill, the Copyright Bill, the Preferential Ballot Bill, the Spirits Bill, and the Excise Tariff Bill. We have only five weeks in which to deal with these measures, as well as the Estimates, and some other Bills relating to the Tariff, and yet my honorable and learned friend has calmly risen at this crisis in the business of Parliament to invite our attention to a measure that has no element of national importance or urgency. Whilst I have supported the Government in the measures they have taken for the protection of

the revenue, I submit that we must not lose sight of the cardinal principle which alone justifies the exaction of duties without the authority of the law. I refer to the fact that, whilst Parliament, for the protection of the revenue, will justify the illegal exaction of duties from the King's subjects, the period during which those exactions obtain must be strictly limited. The illegal exaction of duties must continue for the briefest possible time. When such proposals are made it is the duty of the Parliament at the earliest possible date to settle them, and to decide what duties, if any, shall be levied, in order that the condition of unrest, uncertainty and illegality may be brought to an end. We have on the business-paper a Spirits Bill, which the House ought to be ready to consider, and also an Excise Bill, a Bounties Bill, and an important measure relating to a change in the electoral and franchise law. Whilst we are in this trying situation—having all these Bills to consider—a Lands Acquisition Bill is brought forward. I do not wish, however, to enlarge upon these objections—I simply point them out. I come now to a matter that is greatly to be deplored. I think that we should endeavour in every way to cultivate friendly and harmonious relations between the Commonwealth and the States. There should be no unnecessary assumption of superiority. The Minister, in the course of his speech, used an expression which I think was ill-advised—when he spoke of this being a Bill for the exercise of powers by sovereign communities.

Mr. GROOM.—I referred to the exercise of powers by the States as well as by the Commonwealth.

Mr. REID.—But I am going further than that—

Mr. GROOM.—The right honorable gentleman is under a misapprehension. These powers must be exercised by the States as well as by the Commonwealth.

Mr. REID.—That is the point; but under this Bill the sovereign right of the community is to be exercised over the sovereign rights of the States.

Mr. GROOM.—Only so far as is permitted by the Constitution.

Mr. REID.—I am merely criticising the use of such an expression.

Mr. GROOM.—The right honorable member is attaching to it a meaning that I did not intend to convey.

Mr. REID.—May I suggest that the question is not as to the intention with which the words were uttered; it is practically one of fact.

Mr. GROOM.—The right honorable member will recognise that I did not mean to convey the inference he suggests.

Mr. REID.—I do not wish to be unfair to the Minister by saying that he had any desire to use an expression that would be offensive. I refer to the matter only because it leads up to a more serious point. Great offence was given by the original title of this Bill. Instead of a plain, business-like title, clearly defining the object of the measure, and raising no question of superiority as between the Commonwealth and the States, the Government applied to the Bill a title that was certainly an extraordinary one in the politics of Australia.

Mr. GROOM.—It is a well-known term in constitutional law.

Mr. REID.—I trust that the honorable and learned gentleman will permit me to express my views on this question. It was most grotesque that practical business men who know that the measures passed by all the States Parliaments have plain business titles should have been asked to consider a Bill bearing such a title as that to which I refer. We were suddenly electrified by the introduction of a serious measure bearing the title of the "Eminent Domain Bill." Even some gentlemen who have passed legal examinations like to refer occasionally to law dictionaries, and I turn to a judicial dictionary to ascertain what is the meaning of such an expression. It may be possible that the explanation will be of interest to the general community having regard to the extraordinary surprise that was sprung upon them—

EMINENT DOMAIN.—The right which a Government retains over the estates of individuals to resume them for public use.

Under this Bill power is given to deal with the States which are sovereign communities, and yet by the application of such a title to it they were treated as if they were on the same footing as a private individual who owns an allotment of land. These quaint, fantastic titles can serve no useful purpose. As a matter of fact, the use of the title I have mentioned occasioned bitter debate in another place. There was a prolonged struggle, and the Government stuck to their guns in a way that is unusual in this branch of the Legislature.

Mr. SPEAKER.—The right honorable member must not refer to the debates in another place.

Mr. REID.—I bow to your ruling, sir. The result of it is that I cannot complete my observations on this point.

Mr. BAMFORD.—At all events the title was amended.

Mr. REID.—I think that all honorable members know fairly well what I intended to say. A great deal of time might have been wasted over the use of such an expression, and possibly after a prolonged series of brilliant victories and defeats a most indomitable Minister may ultimately have been conquered. At all events the title disappeared. I point to these matters as raising all sorts of offensive issues that have absolutely nothing to do with business men. If my honorable and learned friend has simply introduced this measure without any intention of proceeding further with it this session, I do not wish to further occupy the time of the House.

Mr. GROOM.—We intend to proceed with it this session, and expect it to be passed.

Mr. REID.—That being so, I repeat my protest against the introduction of such a measure in the last weeks of the session, when a number of matters of vital importance have to be discussed and settled in the interests of the Government. It is to be regretted even from their own point of view that they should have signalized the last few weeks of the session—weeks which they should wish, in the interests of the public as well as for their own sake, to put to good account—by inviting honorable members to embark upon a prolonged examination of a Bill which really ought to be considered far less important than are a large number of other measures on the business-paper. The remaining weeks of the session might well be devoted to more important measures. My honorable and learned friend must recognise that the Bill gives rise to a number of points which will provoke discussion, and it is to be lamented that we should be asked to deal with them now, since the measure is not one of pressing importance. Already the Attorney-General of another State has issued a memorandum in which he protests upon a number of grounds against the provisions of this Bill. I do not wish at this stage to occupy the valuable time of the House by referring in detail to that memorandum,

but it possesses several features that well deserve serious consideration.

Mr. ISAACS.—I do not think that the right honorable gentleman can support the contentions raised in it.

Mr. REID.—I intend to mention one matter of which I have personal knowledge. The Minister referred just now to the objects of the provisions relating to mining leases. On the face of it, that object appears to be a perfectly reasonable one. As the Minister has said, he has actually been led to take action so far as these provisions are concerned by the Premiers' Conference.

Mr. GROOM.—No—by several requisitions. We have had twenty or thirty applications from Victoria.

Mr. REID.—In the absence of the illustration I am about to give, the provisions in question might not seem important, but I think that I shall be able to show that they may have a vitally important effect on New South Wales. Some years ago, when I held office as Premier of that State, an application to mine for coal near Bradley's Head had been, I think, improvidently entertained. Bradley's Head, as honorable members are aware, now forms part of a military reserve. The Department had to some extent committed the State Government, but I felt that it would be a monstrous outrage to have a coal mine sunk to a depth of 3,000 feet, and vast quantities of *débris* raised at that point in full sight of every one using the Sydney harbor. I believe that the harbor has been heard of as being rather an attractive panorama. I had to use my power to prevent that project being proceeded with, and the result was that the parties interested had to commence operations at the back of Balmain, some miles further inland. I mention the incident in order to show that although on the face of it the issue involved does not seem important, it might give rise to a most painful conflict between the Commonwealth and the States. Great influence will perhaps be brought to bear on the Commonwealth, and large inducements offered to it to give mining rights under military lands, and the States concerned might in that event be most vitally interested in the question. In these circumstances I think that the suggestion made by the honorable and learned member for Corinella was a very

sensible one. We do not wish to create possible causes of friction between the Commonwealth and the States in connexion with business undertakings into which the Commonwealth does not enter. Honorable members must recognise that we do not desire to deal with mining leases or mining enterprises; we do not wish to trouble ourselves with matters of that sort. There are States laws and States appliances dealing with them, and, therefore, I think that the suggestion made by the honorable and learned member for Corinella, that power should be given to the States to grant leases, is a very sensible one. It would, if adopted, save the Commonwealth from embarking on a line of departmental activity for which it has no vocation, and the exercise of power which, except in rare instances, it has no opportunity to exercise. I should like to suggest that the clause in question be put right.

MR. DUGALD THOMSON.—Does the right honorable member mean that the States should be permitted to grant leases with the consent of the Commonwealth?

MR. REID.—I should not have the slightest objection to the Commonwealth having power to decide whether these things should be done.

MR. GROOM.—The consent of the Commonwealth would be necessary.

MR. REID.—Subject to the consent of the Commonwealth that the land might be used for mining purposes, the States should have power to grant leases.

MR. GROOM.—The Commonwealth must have power to prescribe regulations.

MR. REID.—If the States have in operation machinery necessary for this particular purpose—apart from the question of regulations, which really amount to nothing—economy will be effected if they are left to deal with these matters. I am sure that the intention of the Government is not to establish new machinery. If the Commonwealth consented to the issue of a permit to carry on mining, the States might refuse to grant the necessary appliances, and the Commonwealth would exercise its superior power as owner of the land, and would itself make rules and regulations, and appoint officers to carry them out. All these matters suggest possibilities of conflict and of differences of opinion which we cannot be too ready to avoid. I do not propose now to deal with the details of the measure. Although there are a number of provisions to which I should like to

refer, I admit that this is not the time to do so. I shall, therefore, merely express my regret that, when time is of so much consequence, and there are so many vital matters to be dealt with, the Government have determined to go on with a Bill which, with all respect to the Minister of Home Affairs, is of trivial importance, remembering the great pressure upon Parliament, and the short period within which we can do useful work.

MR. GLYNN (Angas) [3.31].—In reference to the point raised by the right honorable member for East Sydney, in connexion with clause 62, I would point out that by clause 57 the Commonwealth is created a corporation for the purposes of this measure. I do not see, therefore, that the suggestion that the States should lease this land can be carried into effect. It will be possible, however, when the Commonwealth does not require land which has been vested in it, to lease it to the States, and the States can then make what arrangements they please with private individuals in regard to it. Clause 57 creates a corporation, to be known as "The Commonwealth of Australia," in which lands acquired by the Commonwealth are to be vested. That being so, it would be difficult to provide that the States may lease such land. I see no objection, however, to the Commonwealth, instead of selling surplus land under clause 63, leasing it or the right to mine, to any one who may be disposed to take it, and the States could make it Crown land by Act of Parliament, if it were not covered by the definition. At any rate, there are ways of getting over the difficulty. With regard to the title originally adopted for the Bill, I think that it was a mistake to term the measure the Eminent Domain Bill. The use of that title would not have enlarged the powers of the Commonwealth, while the title itself would have been a misnomer, since eminent domain in the lands of the country, that is the residual power of sovereignty, remains with the States, and has been given to the Commonwealth by the Constitution for certain purposes only, namely, in regard to the acquisition of land under section 51 of the Constitution, or in connexion with the transfer of properties used for the administration of transferred Departments of Government. It was thought in the Convention that powers of sovereignty would, as a matter of law, belong to the Commonwealth, as they do to

the States, if this provision were not inserted, and, it having been inserted, it seems to me to limit, rather than extend, the powers of the Commonwealth. It is an express provision which is not contained in the American Constitution, under which powers of acquisition are implied, and, of course, limited to the purposes of the powers delegated to the central body. The powers given here are directly prescribed by section 51. The general powers of sovereignty, therefore, belong to the States, so long as they have not been delegated. That is clear from the fact that in America, though the lands are vested in the Commonwealth, that is, in the Federal Government, it has been decided that the powers of sovereignty in relation to eminent domain belong only to it in relation to the territories. The moment a territory becomes a State, the special powers of eminent domain, so far as they are not delegated to the Federal Government, belong to the State.

Mr. REID.—Then the title would have been a wrong one to use?

Mr. GLYNN.—I think that it would have been wrongly applied.

Mr. GROOM.—It is used in the United States in reference to land generally.

Mr. GLYNN.—That is in reference to the powers of the States.

Mr. GROOM.—And in reference to the powers of the Commonwealth, too.

Mr. GLYNN.—I consulted *Cooley* on Constitutional Limitations just before the House met, and found that he draws a strong distinction. He says that the powers of sovereignty of eminent domain do not belong to the Commonwealth of America, that is, to the Federal Government, but belong to the States. They are in the Commonwealth only as a land-owner in relation to a territory. The moment the territory becomes a State, the powers of the Federal Government are exercisable for specific purposes only, which are the particular powers vested by delegation in the Federal Government, and no more. The use of the term eminent domain would, therefore, not have extended the scope of the measure, but would have been somewhat invidious, so far as the States are concerned. That, I suppose, was the chief ground of the objection which was taken to the title elsewhere. The Bill seems to be a consolidation of the existing law for the purpose of getting over a few flaws, some of which were pointed out in

1901, and, as the Minister has explained, to clear up certain points connected with the original drafting. I do not know that the drafting has been made more clear in some respects. It seems to me that confusion has been introduced. Some of the points which it is now endeavoured to make clear were mentioned in 1901. For instance, opposition has been shown to the Bill on the ground that it gives power to resume the park lands of the cities of the States. That objection was taken in 1901. But the present Bill was not framed to meet it. I pointed out in 1901 that the measure then before us gave power to the Commonwealth to resume the park lands of the States. If the Commonwealth wishes to erect a building for defence purposes, or a post-office, on the park lands of any State, it can resume such land under the Act of 1901. I do not think that that power should have been granted, though, of course, it could be granted. Why should the Commonwealth acquire part of the park lands of our cities? Is it necessary to erect on such land a building for any of the purposes of the Commonwealth Government?

Mr. DUGALD THOMSON.—Has the Commonwealth the right to take lands dedicated by the State for any purpose?

Mr. GLYNN.—Yes.

Mr. DUGALD THOMSON.—Should we do so?

Mr. GLYNN.—I do not think so, although, under the Constitution, we have power to legislate for the resumption of such land.

Mr. GROOM.—That power is not likely to be exercised except for some necessary purpose.

Mr. KELLY.—The Commonwealth wished to erect buildings on the Centennial Park, Sydney, for military purposes.

Mr. GLYNN.—The Bill, like the Act of 1901, does not prevent the resumption of park lands, though an attempt was made in the other Chamber to do so.

Mr. GROOM.—It was expressly provided for in the Senate.

Mr. GLYNN.—I find, by reference to page 5460 of Volume IV. of *Hansard*, that I mentioned, in 1901, that the park lands which surround Adelaide, and have been dedicated under a State Act, could be acquired by the Commonwealth. But, although that was pointed out at the time, the Government of the day would not assist honorable members to make an amendment in the Bill of 1901 to prevent it. A

provision has been inserted in this Bill to qualify this power of acquisition, clause 19 providing that, where land is Crown land of a State, dedicated for a public park, or for the recreation or amusement of the public, either House of the Parliament may pass a resolution that the notification shall be void and of no effect, and that then the land shall be deemed not to have been vested in the Commonwealth. That, however, is not very much protection to the States. It simply transfers from the Executive to the Parliament the right to say whether such land shall be acquired by the Commonwealth. I should like to see a provision inserted preventing the acquisition of park lands. Independent of such land, there is other land as suitable, or nearly as suitable, available for the purposes of the Commonwealth. The provision of the law as it stands has given rise to some opposition and a good deal of disquietude, and therefore I should like to see it excised. Regarding the drafting of the measure, it is difficult to speak with emphasis, because of its technical character; but I do not know that a glance at its clauses shows that the law has been made much clearer in some respects. For instance, clause 5 says that—

“Land” includes any estate or interest in land (legal or equitable), and any easement, right, power, or privilege over, in, or in connexion with land, and also includes Crown land.

Clause 8, however, speaks of—

Any person seised, possessed, or entitled to any land,

and goes on to refer to interests which have resulted from the cutting up of the fee-simple into a series of estates coming into existence in succession. Therefore, one may well ask if the words “any person entitled to any land” refer to the possession of any estate in land or to the possession of an estate in fee simple. That there may be some doubt on the matter is, I think, clear from the wording of the Act of 1901, which refers to—

All parties seised or possessed of or entitled to any such land or any estate or interest therein.

A distinction is there drawn between a fee-simple and a lesser estate or interest. It was evidently contemplated that persons could dispose only of the interests to which they were entitled, and would be compensated separately for each interest.

Mr. ISAACS.—Will the honorable and learned member look at section 22 of the Acts Interpretation Act?

Mr. Glynn.

Mr. GLYNN.—The Attorney-General refers me to the definition of “land” contained in the Acts Interpretation Act; but that does not affect my point, because there is a special definition in this Bill, and there cannot be two definitions for the purposes of one measure. If there were two definitions, and they were in agreement, one would be superfluous, while, if they were not, one would contradict the other. My point is that the meaning of “land,” as used in clause 8, is not clear. It may be used to refer to an estate in fee simple or to any lesser estate. There are other provisions in which I think confusion, rather than clarity, is introduced, though these are matters which may best be dealt with in Committee. While the Bill does not alter the existing law, it deals with matters of fundamental importance. I should like to know what the Government intend to do with regard to clause 64, which is as follows:—

Any land which, before the commencement of this Act, has been acquired by the Commonwealth from any State or person, or has by virtue of section eighty-five of the Constitution become vested in the Commonwealth, shall for the purposes of this Act be deemed to have been acquired under this Act, and to be vested in the Commonwealth as if acquired under this Act.

I presume that that means that the Commonwealth could pay, according to the scheme provided by this measure, for properties acquired under section 85 of the Constitution. At an earlier stage in the Bill provision is made for the method of payment. Clause 41 provides—

The compensation payable to a State in respect of any land acquired under this Act may, at the option of the Governor-General, be paid in any of the following modes, that is to say—

- (a) by payment to the State of the amount of the compensation; or
- (b) by the Commonwealth becoming responsible to the State for its liability for principal and interest in respect of such a part of the public debt of the State as is the actuarial equivalent of a three and one-half per cent. loan of the same currency and of the amount of the compensation.

That deals with the transferred properties. To some extent it is constitutional, and to some extent it is not. It is provided in sub-section II. of section 85 of the Constitution—

The Commonwealth may acquire any property of the State of any kind used, but not exclusively used, in connexion with the Department; the value thereof shall, if no agreement can be made, be ascertained in, as nearly as may be, the

manner in which the value of land or of an interest in land, taken by the State for public purposes, is ascertained under the law of the State in force at the establishment of the Commonwealth.

Therefore, as regards land not exclusively used in connexion with the Department the valuation must be ascertained as nearly as may be possible under the laws of the State, and, so far as the provision in the Bill is an attempt to override the provisions of the Constitution, it will be *ultra vires*. As regards property hitherto acquired and not paid for, or to be acquired in the future, the method of compensation is prescribed by the Bill, and therefore we are really now dealing with matters of big policy. The provision is that the land shall be paid for either in cash or in bonds bearing interest at $3\frac{1}{2}$ per cent. Of course that is a very sound principle, but if the clause is to mean anything, we should provide for giving effect to it. That cannot, however, be done without the consent of the States. We cannot take over the States debts except at the rate of so much per head of the population, and, therefore, I do not see how we can apply this provision. Section 105 of the Constitution provides—

The Parliament may take over from the States their public debts as existing at the establishment of the Commonwealth, or a proportion thereof, according to the respective numbers of their people, as shown by the latest statistics of the Commonwealth.

In view of this restriction, I do not know how we are going to work the provision in the Bill. I think it is a pity that the Minister should have brought in a Bill for the consolidation of the law relating to the acquisition of public property without consulting the States, with a view to inducing them to pass the necessary Acts to enable us to take over their debts to an amount sufficient to wipe off, as far as possible, the indebtedness in regard to the transferred properties. There are several other provisions in the Bill which, I think, could better be dealt with in Committee.

Debate (on motion by Mr. JOHNSON) adjourned.

ELECTORAL VALIDATING BILL.

SECOND READING.

Mr. GROOM (Darling Downs—Minister of Home Affairs) [3.50].—I move—

That the Bill be now read a second time.

This is a short, technical measure, introduced for the purpose of allaying doubts

which have arisen in connexion with the distribution of seats in New South Wales. Sections 17 and 18 of the Electoral Act provide that when the Commissioner has completed his report, he shall post it, together with a map of the proposed division in certain public places, and that within thirty days any person may lodge any objection or suggestion in writing. It is further enacted that the Commissioner shall consider all objections and suggestions so lodged before making his final report. In connexion with the distribution in New South Wales, two or three alterations were made upon the strength of verbal suggestions to the Commissioner. These suggestions, which were not made in writing, as required by the law, involved the interests of a fairly large number of electors.

Mr. DUGALD THOMSON.—Is that material? Could not the Commissioner obtain his information in any manner he might think fit?

Mr. GROOM.—The Crown Law officers, after carefully investigating the matter, have come to the conclusion that objections or suggestions acted upon by the Commissioner must be made in a manner prescribed by law. The Bill is considered absolutely essential in order to allay any doubt that may exist as to the validity of the distribution.

Mr. DUGALD THOMSON (North Sydney) [3.52].—I have no objection to the Bill, although I hardly appreciate its necessity. Whilst any objections of which notice is officially taken may have to be lodged in writing, the Commissioner has the power, which he has no doubt exercised, to obtain information from whomsoever he chooses.

Mr. GROOM.—Not after his report has once been posted.

Mr. DUGALD THOMSON.—I do not think that even then the Commissioner might not, if he thought fit, revise the proposed distribution. However, I do not object to the measure, because, at most, it can only make assurance doubly sure.

Question resolved in the affirmative.

Bill read a second time, and reported without amendment.

Motion (by Mr. GROOM) agreed to—

That the Standing Orders be suspended so as to allow the third reading to be moved this day.

Bill read a third time.

SUPPLY.

ADDITIONS, NEW WORKS, AND BUILDINGS.

DEPARTMENT OF HOME AFFAIRS.

In Committee:

Division 1 (*Home Affairs*), £4,000.

Mr. STORRER (Bass) [3.55].—We have had no explanation as to why these buildings—a store at Darling Harbor, Sydney—are considered necessary. I see that the estimated total cost is £22,300, and that is rather a large item.

Mr. GROOM (Darling Downs—Minister of Home Affairs) [3.56].—At the present time the Commonwealth has no wharfage accommodation of its own in Sydney. We have acquired from the New South Wales Government a piece of land upon Darling Island, and propose to erect upon it buildings for storage purposes. At present we are paying a large sum of money by way of rent for leasehold premises in connexion with the Post Office, and we have stores scattered about in other places. It is now proposed to erect upon our own wharfs buildings for the accommodation of our stores. The site is connected with the New South Wales railways, is in a convenient position, and has a splendid water frontage.

Mr. STORRER.—Shall we effect any saving of rent?

Mr. GROOM.—Yes.

Mr. KING O'MALLEY.—Will the stores be utilized in connexion with the Defence Department?

Mr. GROOM.—Certainly.

Proposed vote agreed to.

Division 2 (*Trade and Customs*), £10,770.

Mr. DUGALD THOMSON (North Sydney) [3.59].—I should like to know whether it has been decided to erect a new Customs House at Fremantle, or whether the building now occupied as a post-office is to be utilized by the Customs Department?

Mr. GROOM (Darling Downs—Minister of Home Affairs) [3.59].—It is not considered advisable to use the post-office buildings for the purposes of a Customs House. The selection of a site for the erection of the building is now under consideration. No site has been selected, although several have been offered. But the Customs authorities, after careful inquiry, have notified us that the old post-office is not suitable for the purpose indicated, and strong representations to the same effect have also been made by the merchants of Fremantle.

Mr. DUGALD THOMSON.—Is the Minister referring to the building or to the locality?

Mr. GROOM.—To both.

Mr. DUGALD THOMSON.—What is proposed to be done with the present post-office?

Mr. GROOM.—That has not yet been decided. It may be that the State of Western Australia will take it back.

Mr. STORRER (Bass) [4.1].—Am I to understand that this amount is to be paid out of the funds of the Commonwealth *per capita*?

Mr. GROOM.—Yes.

Mr. STORRER.—In Tasmania new post-offices have been erected since Federation was accomplished, and these buildings have been paid for out of Tasmanian funds. Until all these works are dealt with under the *per capita* system, it seems to me that an injustice will be inflicted upon those States which, prior to Federation, erected buildings, for which they are now receiving no rent whatever.

Mr. CAMERON (Wilmot) [4.2].—I wish to know whether the proposed work is a new one entirely, or whether a fresh building is merely to be erected in place of an old one?

Mr. GROOM.—It will be an entirely new building.

Mr. CAMERON.—Has there never been a building there before?

Mr. GROOM.—There has been a Customs building.

Mr. CAMERON.—Then how can the cost of erecting the new building be charged upon a *per capita* basis? To my mind, it is distinctly expenditure which ought to be charged to Western Australia.

Mr. KELLY.—I suppose that the proceeds from the sale of the old building will be distributed *per capita*?

Mr. CAMERON.—I should like to know from the Minister whether the proceeds from the existing building will be divided amongst the States upon a *per capita* basis, or whether the structure will be considered an asset of Western Australia?

Mr. GLYNN (Angas) [4.3].—It seems to me that the real question which the States have to consider is the effect of the total expenditure. The Budget papers show what would be the effect upon each State of applying the method of debiting the expenditure *per capita*, instead of under the old system. I think that our power

to vary the provisions of the Constitution in this respect will become operative in about another month. I repeat, that the only way in which we can judge of the effect of debiting our expenditure upon the *per capita* system is by looking at the totals of the various items of expenditure in the different States, and not at any particular item.

Mr. KELLY (Wentworth) [4.4].—I think that the Minister might well tell us what is proposed to be done with the proceeds derived from the old building at Fremantle.

Mr. GROOM (Darling Downs—Minister of Home Affairs) [4.5].—So far, we have not sold any public buildings belonging to the Commonwealth. As a matter of fact, we are endeavouring to arrive at a friendly arrangement with the States in respect of transferred properties. In some instances, the States are taking back properties which are burdensome to us. In this matter, we are treating Tasmania in exactly the same way as the other States are being treated.

Mr. CAMERON.—Unfortunately no new buildings are to be erected in Tasmania.

Mr. GROOM.—I believe that in time Tasmania will require a great many new buildings. Of course, we have to look at this matter from an Australian stand-point.

Mr. KING O'MALLEY.—The Minister is viewing it from an Australian, and not a Tasmanian, stand-point.

Mr. GROOM.—Some time ago it was decided by the right honorable member for Balaclava, who was then Treasurer, that all these buildings were new works, and as such should be charged for as "other" expenditure. We are merely following the rule which he laid down.

Mr. JOHNSON (Lang) [4.7].—I notice that this building is to cost £15,000.

Mr. GROOM.—That is the cost of the land and the building.

Mr. JOHNSON.—It is proposed to erect this building upon an entirely new site?

Mr. GROOM.—Yes; we have to acquire a new site nearer the shipping.

Mr. JOHNSON.—Then what is the reason for the Government proposal to erect a new Customs House? Is it because the present building is no longer useful?

Mr. GROOM.—It is in a dilapidated and insanitary condition, and has been reported upon to that effect.

Mr. JOHNSON.—I think that honorable members are entitled to understand the rea-

sons underlying all these proposals. No doubt, when the expenditure proposed is reasonable, no opposition will be raised to the items. There is just one point, however, upon which I should like to gain information. It occurs frequently throughout the Estimates. I refer to unexpended balances. It may be that when we are asked to authorize an expenditure of £1,000 during the current year in connexion with a new building, there is an unexpended balance from the previous year. I should like to know whether these balances will be added to the votes which are authorized on the Estimates now under consideration?

Mr. GROOM.—Unexpended balances absolutely lapse.

Mr. JOHNSON.—I have a reason for raising this question, because something relating to it cropped up the other day in connexion with the Audit Act. It was then pointed out that sometimes these balances are kept in hand, and added to the votes for the current year. Thus it is quite possible that there might be an unexpended balance of £500 or £700, so that, when we voted £1,000 in connexion with any work the actual expenditure would be brought up to £1,700.

Mr. GROOM (Darling Downs—Minister of Home Affairs) [4.9].—In reply to the honorable member, I would point out that if any vote is not expended during the financial year it absolutely lapses. In such cases, no payment is really made. Whatever amount is appropriated for 1906-7 represents the total amount of the appropriation.

Mr. GLYNN (Angas) [4.10].—I mentioned just now that it is necessary for honorable members to look at the total expenditure in connexion with all works, if they wish to ascertain the effect upon the States of debiting that expenditure *per capita*. In the case of Tasmania, I find that if the expenditure upon new works in that State were debited upon a population basis the amount which she would be required to pay would be £29,000, whereas if she had to pay for them herself she would contribute only £21,000. So that she really gains £8,000 by the system which is being adopted.

Mr. DUGALD THOMSON (North Sydney) [4.11].—I understand it has been decided that a new Customs House is necessary at Fremantle, either upon the old site or upon a new one. The reason why

a new site has been selected is that the harbor works have thrown the shipping into another portion of the city, and the existing building is therefore in a rather inconvenient position. The same remark is applicable to the post-office. Its business has outgrown the accommodation provided, and instead of enlarging the present building it is proposed to erect a new one in a more central portion of the town. Seeing that the Commonwealth can only use the two existing buildings for the Customs or post-office purposes to which they have previously been put, surely the State Government—which might put them to many uses—should be willing to take them over. I think it is desirable that that should be the understanding upon which the vote is authorized. Seeing that Western Australia is to obtain new offices—owing to the unsuitability of the existing buildings—I think that it ought to be prepared to take over the old structures, so as to avoid their cost being debited to the Commonwealth.

Proposed vote agreed to.

Mr. KELLY (Wentworth) [4.13]. — I should like to gain some information in reference to the proposed expenditure of £8,000 upon a trawler and equipments. A Commonwealth trawler can trawl only outside the territorial limits of the States, and therefore honorable members should be informed of the results which are expected to accrue from this proposed expenditure.

Mr. GROOM (Darling Downs—Minister of Home Affairs) [4.14].—This item is really part and parcel of a scheme for the proper investigation of the fishing resources of Australia. It has been suggested that we should obtain a trawler, which shall be used purely for the purpose of ascertaining the wealth of the deep-sea fisheries along the whole of our coast-line.

Mr. KELLY.—Is the trawler to be used inside or outside territorial limits?

Mr. GROOM.—In some instances it will be used outside those limits. For example, if honorable members will look at the map, they will see that the boundaries of Queensland extend right up towards the coast of New Guinea. They cover a great expanse of water, which really is part of the high seas. I understand, however, that the honorable member, in speaking of the "territorial limits," has in mind the ordinary three-mile limit.

Mr. KELLY.—I use the term in the sense in which it is employed in the Constitution.

Mr. GROOM.—As used in the Constitution it is open to two or three meanings, but as ordinarily understood, "territorial limits" means a distance within three miles of the shore. If, as the result of the operations of this trawler, it is found that large quantities of fish can be secured in our waters, the fishing industry may be established on sound lines.

Mr. KELLY.—What will be the size of this vessel?

Mr. GROOM. — I cannot say offhand what its exact size will be, but the amount on the Estimates will be sufficient to provide for the construction of a trawler on the lines of those operating at present in other parts of the world. The principle involved is not a new one. It has been freely and successfully exercised by the Cape Colony Government. In 1897 a boat called the *Pieter Faure*—a modern type of steam trawler—was acquired by that Government at a cost of £7,000 or £8,000 to engage in deep-sea trawling operations along the South African coast.

Mr. JOHNSON.—The cost was £6,500.

Mr. GROOM.—The New South Wales Government expert states that the cost was between £7,000 and £8,000. The Government biologist reports that, as the result of this experiment—

It was soon demonstrated that there was an abundance of fish, notwithstanding what was said to the contrary, and that there was an excellent trawling ground, rivalling with the North Sea in productiveness.

In 1899 the Government again took the work in hand, and in a short time the trawler produced a profit of over £300. Private enterprise was then left to develop the industry, with the result that, in 1903, according to the report of the Government biologist, four steam trawlers, each considerably larger than the *Pieter Faure*, and over £30,000 in value in all, arrived from Europe to follow up the work initiated by the Cape Government.

Mr. JOHNSON.—These additional trawlers were provided by private enterprise?

Mr. GROOM.—That is so. The Government having proved that large supplies of fish existed, private enterprise was left to develop the industry. The report of the Government biologist also sets forth that—

Two other vessels fitted up with special refrigerating arrangements for South African trade have arrived during the course of the year. Another large boat, 250 tons gross register, designed as a carrier and trawler, was valued

at £7,500. Other trawlers are at work in addition to those mentioned and continue to do profitable business.

In a letter dated 11th April, 1906, the Prime Minister of Cape Colony wrote to the Prime Minister of the Commonwealth as follows:—

The latest information from the trawling companies now established indicate that they are doing well, and are sending large quantities of fish to the inland towns.

It will thus be seen that the South African experiment was successful in revealing large sources of food supply that were previously unknown, and that, as the result of it, the inland towns of Cape Colony have abundance of fish.

Mr. KELLY.—What parts of the Australian coast will be dealt with?

Mr. GROOM.—That will depend on the advice of the Government expert. If the honorable member will turn to the report issued by the Minister of Trade and Customs in connexion with the Bounties Bill, he will find that there are many points along the Australian coast where investigations could probably be made with profitable results, but it is impossible for me to say where operations will be commenced. The trawler will probably be sent in the first instance to such parts of the coast as the authorities deem to be the most promising and the most desirable to examine. The report issued by the Minister of Trade and Customs deals very fully with the prospects of successfully developing the fishing industry. The quantity of fish annually imported into Australia is 13,000,000 lbs., valued at about £300,000. The local supply is spasmodic.

Mr. DUGALD THOMSON.—Half of our imports of fish consist of tinned salmon.

Mr. GROOM.—That is so. It will be recognised, however, that we have in Australian waters large quantities of fish, and that our fisheries, as the result of a proper system of encouragement, may be opened up with advantage to the Commonwealth.

Mr. REID (East Sydney) [4.23].—This proposal may be connected with a scheme for founding a Commonwealth line of mail steamers, such as my honorable friends of the Labour Party are anxious to establish. It will mean a very small beginning, but it will, nevertheless, be a decided one. It will affirm the principle of a State-owned line of steamers, and also to some extent the principle of a national industry. Here, again, I am not in a position to quarrel with the Govern-

ment. I look upon the development of our fisheries as one of the best and greatest objects that they could have in view.

Mr. HURCHISON.—Is the right honorable member weakening in his anti-Socialism?

Mr. REID.—Had the honorable member allowed me to complete the sentence he would not have put that question. I have in view the magnificent development by private enterprise of the fisheries on the coast of the mother country, where tens of thousands of hardy fishermen have established a great national industry; I have in view a magnificent development of private enterprise instead of the creation, in the future, of a fleet of Government trawlers. I look upon this proposal as one to which we need not object, because the object which I expect to be achieved is the development of one of the greatest of the private enterprises of Australia. This is the only difference between my honorable friends, the Socialists, and myself. We both believe in making the best use of the powers of the Government for the benefit of the people, and I only part company with my honorable friends on the point that they look upon this as the beginning of a fleet of national trawlers, to be manned by sailors wearing the Government uniform. Long before the question of Socialism was discussed in the Federal arena, I had an opportunity to make experiments in this direction. I believe that I was the first Premier of an Australian State to fit out a trawling expedition at the expense of the Government. I provided the necessary funds, and a gentleman well known in connexion with the fishing industry—Mr. Frank Farnell, who has been identified with these matters all his life—was placed in charge of a properly-equipped trawler to ascertain what were the resources of the coastal waters of New South Wales.

Mr. HIGGINS.—Was not that very wicked and socialistic?

Mr. REID.—No. I have just mentioned the point at which I part company with my honorable friends the Socialists. It is foolish to believe that Socialists alone favour the using of the powers of the Government for the benefit of the people. Australian public men used the powers of the State for the benefit of the people before the Socialists were thought of, and will continue to do so long after they have been forgotten. I claim to be just as fearless as the Socialists are in making use of the

powers of the Government for the benefit of the general community, but I draw the line at their desire to convert the whole community into an army of Government servants.

Mr. HIGGINS.—Who desires anything of the kind?

Mr. REID.—The Socialists.

Mr. HIGGINS.—Where are they?

Mr. REID.—A few of them are at present in the Chamber, and the honorable and learned member has got them into hot water owing to his soundness on the question of Home Rule. They find it impossible to secure the withdrawal of the nomination of a candidate in opposition to the honorable and learned member. But there has been no trouble with the Central Council in regard to the finding of opponents to the honorable member for Melbourne Ports and the honorable member for Bourke, who voted against Home Rule.

The CHAIRMAN.—Order.

Mr. REID.—I was about to say, sir, that the remarks have to do with political trawling, and also, I think, with political crawling. It is in that way alone that I can connect them with the question before the Chair. I can honestly say that I do not blame the Government for proposing this experiment. I hope that it will be judiciously managed—that the trawler will be placed in good hands, and will be such a vessel as can be employed all round the coast.

Mr. MAUGER.—How did the honorable member's experiment succeed?

Mr. REID.—Unfortunately, it was not as prolonged as it should have been. I think that something happened to me about the time in question. Unless the Government have some latent design in proposing to acquire a trawler—unless they desire to convert it into a mail steamer, to be run on national lines—I have no objection to the item. I think that the proposal is a good one.

Mr. HUTCHISON (Hindmarsh) [4.30].—I was very glad to hear the speech of the leader of the Opposition, because it has enabled us to know exactly how he stands; for the moment, at any rate. The only difference between his Socialism and that of the Labour Party is that he believes in Socialism which will give something to private enterprise, but does not believe in Socialism which will give something to the whole people. It is a good thing that he

does not oppose this item. It shows that he is advancing in the right direction.

Mr. REID.—I was the first to make an experiment of this kind.

Mr. HUTCHISON.—Yes, but, although that experiment has been claimed to have been successful, private enterprise has not followed the matter up. That fact shows that it may be necessary for the Commonwealth to provide quite a number of trawlers. I have seen a good deal of trawling in the old country, where fish is sent from the north of Scotland to the English markets, not by the ton, but by scores of tons. The trawling industry there is very successful. We know that our waters are supplied, not with one or two kinds of fish only, but with an enormous variety, and it will be a good thing to use a trawler in the attempt to prove that there is a splendid supply that can be obtained at a comparatively small expense, and that enormous fortunes may be made by private enterprise if it goes into the industry.

Mr. DUGALD THOMSON (North Sydney) [4.33].—The honorable member for Hindmarsh has drawn a distinction between the position of the right honorable member for East Sydney and that of the Labour Party; I would point out a further distinction. It is this: The honorable member for Hindmarsh would refuse to the fishermen who risk their lives and expend their energies in the establishment and maintenance of a perilous and arduous industry, the profits to be won from it, and would give them to the State. That course would inevitably lead to the abandonment and ruin of the industry. If there is any industry which would not prosper as a State enterprise, it is the fishing industry, and especially the deep-sea fishing industry. But it is the duty of the State to make the scientific inquiries and experiments necessary to prove and exhibit the resources of our seas as well as of our land.

Mr. HIGGINS.—The honorable member draws a line somewhere between trawlers and steamers.

Mr. DUGALD THOMSON.—The honorable and learned member is not so dense as he tries to appear. It would be a poor compliment if I said that he cannot see my distinction. Whilst the State may use its powers for testing and exhibiting the resources of the country and of the adjacent seas—and the community has approved of that being done—it should not, in my opinion, endeavour to carry on industries

which can be better carried on by private enterprise.

Mr. HIGGINS.—The honorable member wishes to use the resources of the State for the few; we wish to use them for the whole community.

Mr. DUGALD THOMSON.—The honorable member is repeating a statement of the honorable member for Hindmarsh to which I have replied. He would give the advantages to be derived from the prosecution of the fishing industry, not to the seamen and others engaged in it, but to the community at large, thus taking from them the encouragement necessary to induce them to risk their lives, and to undertake the heavy and severe exertions required by that calling.

Mr. HUTCHISON.—There will be no trouble about manning this trawler.

Mr. DUGALD THOMSON.—Not at first; but there will be later on if it is seen that the rewards of the enterprise are not allowed to go to those who earn them.

Mr. HIGGINS.—I understood the leader of the Opposition to say that workmen risk nothing—that it is the capitalists who undertake all risks.

Mr. DUGALD THOMSON.—If trawling is proved likely to be successful, private enterprise will enter into and develop the industry.

Mr. HUTCHISON. — The leader of the Opposition says that he has proved it to be successful.

Mr. REID.—I am not the head of the caucus. I do not talk for a machine.

Mr. DUGALD THOMSON.—The honorable and learned member for Northern Melbourne would go further than is now proposed, and, our resources having been proved, would establish an enormous fleet of Commonwealth trawlers to carry on the fishing industry.

Mr. HIGGINS.—I have not said so.

Mr. DUGALD THOMSON.—The section to which the honorable and learned member belongs would do so, and he has indicated by his statements that his views coincide with theirs. If he denies that that is so, he is, of course, not a Socialist. Those who are Socialists are in favour of the carrying on of these industries by the State.

Mr. HIGGINS.—I follow the right honorable member for East Sydney when he is right.

Mr. DUGALD THOMSON.—The honorable and learned member is satisfied that

the leader of the Opposition is right in this instance?

Mr. HIGGINS.—Certainly.

Mr. DUGALD THOMSON. — Then I am right, too. I doubt, however, that the sum provided is sufficient for the purpose. Probably an additional vote will be necessary before any complete experiment can be made. It must be remembered that the trawler to be provided will have to be more expensively fitted out than is the case with the trawlers which work on the Dogger Bank, for example. It will require trawls for a great variety of depths, and raising and lowering apparatus to deal with, not one particular bank, or a set of banks, but unknown conditions. The Minister stated that the experiment would be under the control of experts. I presume that we are not to understand that it is intended to create a Department of Fisheries, seeing that we have already experts in the States.

Mr. GROOM.—It is not intended to appoint an expensive expert. We shall take the advice of the experts of the States.

Mr. DUGALD THOMSON.—We do not wish to establish a Commonwealth Department of Fisheries, presided over by an expensive expert, because such a Department would continue in existence, and would be added to, even after the experiments had come to an end.

Mr. JOHNSON (Lang) [4.40].—I confess that, when first I saw this item, I looked upon it with great suspicion, as an insidious attempt to introduce the thin edge of the socialistic wedge for the establishment of a fleet of Commonwealth mail steamers, but, having made personal inquiries into the matter, I find that, so far from this being the case, it is intended to stimulate private enterprise to a hitherto unexplored source of wealth production. In a recent interview with the Chairman of the New South Wales Fisheries Board, I was assured that an experiment of this kind is very necessary, because no private capitalist would go to the expense of building a trawler on the off-chance of discovering a profitable enterprise, whereas, if the Government experiments demonstrate that capital can profitably be embarked in this industry, there are several men of means who will invest money in it. The proposal is defensible on the same principle as the Government putting down bores in waterless tracts of country in the interests of the community, with a view to promote

settlement. When the right honorable member for East Sydney was Premier of New South Wales, he authorized the expenditure of money for a trawling experiment, which was conducted under the supervision of Mr. Frank Farnell; but the operations were continued for only six weeks, under the most adverse weather and other conditions. That time was not sufficient to thoroughly explore our waters; but the Reid Government went out of office, and was succeeded by a Ministry who would not renew the experiments, which had therefore to be abandoned at a critical moment. Mr. Farnell, however, assured me that the results obtained were encouraging, and he is an enthusiastic supporter of the present proposal. He has not the slightest doubt as to the profitable results of such an experiment. I am informed that it is estimated that the trawler will cost £6,500, but that it was considered desirable to provide for £8,000, in order to meet contingencies. Experiments made with Government-owned trawlers in other parts of the world have been attended with very gratifying success. Some of the most recent of these operations have been conducted off the Cape of Good Hope under the auspices of the Natal Government. The results have been so successful that already four private steam trawlers are following up the work commenced by the Government steamer, and orders have been given for the construction of another five privately-owned trawlers. I have very little doubt that similar results will ensue here. It may be asked, what will become of the trawler when she has accomplished the purpose for which she was originally built? I may point out that the steamer will be of a class suitable for employment in connexion with our harbour and coastal defences, and in many other ways she could also be used. There is not the slightest doubt that the Commonwealth Government will, sooner or later, have to acquire a number of small steamers for defence purposes, and vessels of the type of the proposed trawler would be very useful for some kinds of work. Therefore, we need not contemplate any loss upon our original outlay. I understand that the present Chairman of the Fisheries Board in New South Wales would be willing to give us the benefit of his supervising services and experience free of

Mr. Johnson.

expense, and that there would be no necessity to incur any heavy expenditure in providing for the necessary supervision of the trawling operations. In view of the fact that the trawler is intended to open up a new field of private enterprise, rather than to promote socialistic objects, I shall not oppose the item.

Mr. REID (East Sydney) [4.50].—Owing to some remarks made by the honorable member for Lang, I wish to call attention to the grave inconvenience that is caused by the mysterious absence of Ministers. I have just been reminded of the fact that my endeavour to encourage the trawling industry in New South Wales was brought to an abrupt conclusion, when I was succeeded in the premiership of that State by the present Minister of Trade and Customs. I naturally wish to obtain from him an explanation of the circumstances under which he blighted that interesting experiment, and as to how it comes about that he is now a party to a proposal to carry on an enterprise of a similar character under the Commonwealth. If I am assured by the Prime Minister, or even by the Postmaster-General, who knows something about most of the underground movements of Ministers, that his honorable colleague is at the Customs Department wrestling with the difficulties connected with the harvester question, or the machinery or spirit duties, I shall be ready to recognise that the pressure of circumstances often justifies a Minister's absence from the Chamber. I am told, however, that during the past fortnight no one has been able to say whether the Minister was within 100 miles of his Department. I could understand private members occasionally absenting themselves from the Chamber, as, unfortunately, I do, but I submit that Ministers should be within reach when the Estimates are under consideration. I hope that some clue will be discovered to indicate the precise locality of the Minister. I understand that he was last heard of in the direction of Wagga, where a show is being held, and where I believe the honorable member for Flinders is also to be found. The Minister seems to consider that his sole duty to the public is to follow the honorable member for Flinders wherever he may travel in the Hume electorate.

Mr. WILKS (Dalley) [4.53].—I am pleased to be able to support the proposed

vote. I trust that the Government will arrange for the construction of the trawler in Australia. Although they declined to insert a provision in the mail contract that the proposed new mail steamers should be built in Australia, I hope that they will not refuse to give our artisans an opportunity of exhibiting their skill in connexion with the construction of the new fishing vessel. The proposed vote is similar to those which appear on some of the States Estimates for the purpose of encouraging prospecting, in connexion with the mining industry, and I shall be glad if the search for good fishing grounds is as successful as have been some of the efforts of the prospecting parties in their quest for valuable mineral deposits. That is my desire, but my judgment tells me that the proposed experiment will absolutely fail. In New South Wales, the president of the Fisheries Board, when he was a member of the local Legislature, took charge of a trawling expedition, and the Government placed a considerable sum at his disposal. Mr. Frank Farnell, the gentleman referred to, visited England with a view to forming a company to develop our deep-sea fisheries. He had a series of interviews with the Fishmongers Guild of London, a very powerful corporation, but the members of that body were not inclined to invest their capital upon the strength of the flimsy information submitted to them. I would point out that within six weeks the fishing grounds off our coasts could be fully tested.

Mr. JOHNSON.—What, under adverse weather conditions?

Mr. WILKS.—Yes. In the case of the experiments carried on in New South Wales the steamer proved to be faulty, and, although the trawling appliances were quite up-to-date, they were frequently damaged by rough weather. The present leader of the Opposition, in common with myself, is very fond of deep-sea fishing, and he is probably aware that for the last fifteen years, the supply of fish along the Australian coast has been gradually diminishing. As a matter of fact, the best fishing grounds in Australasia are to be found upon the coast of New Zealand. Still, I do not wish to discourage the Government. Perhaps, if we consent to the proposed vote, we may prevent waste of money in the future, at the suggestion of a protectionist Government, which may desire to offer bonuses for the encouragement of deep-sea fishing. I am not so bigoted a free-trader

that I would object to the Government arranging for the construction of the proposed trawler in my electorate. We are now passing through a period of political peace, and I am not such a flathead as to allow my electorate to pass unheeded when there is any loot to be obtained. I hope that the Minister will not follow the example of the present Minister of Trade and Customs, and decline to employ Australian artisans in the construction of the proposed steamer. There is no question as to the capability of our workmen, because I have in my electorate some of the most expert ironworkers in the whole of the British dominions.

Mr. MCWILLIAMS (Franklin) [4.58].—We are being asked to commit ourselves to an absolute waste of money. I do not expect that the slightest success will be achieved as the result of the operations of the proposed Government trawler, but I predict that within three years the steamer will be up for sale, and that we shall be glad to accept any offer for her. Deep-sea fishing has been carried on in Australian waters for many years. Some honorable members may recollect the *Rachel Thomson*—a Hobart ketch of about 40 tons, which used to engage in deep-sea fishing off the coast of Tasmania, and bring her catch into the Melbourne market. That vessel met with misfortune, and has not been replaced. A few ketches fitted with auxiliary engines are now engaged in fishing off our coasts. They are chiefly used to obtain fish for manurial purposes.

Mr. TUDOR.—What sort of fish?

Mr. MCWILLIAMS.—Barracouta and shark, which are sold to the farmers and orchardists for manurial purposes. In our Australian waters there are not the vast shoals of fish which visit England and Scotland, and which enable those countries to make their preserved fishing industries such a great success. Consequently, I maintain that this bounty will prove an absolute failure.

Mr. JOHNSON.—How can the honorable member say that before we have made the experiment?

Mr. MCWILLIAMS.—The experiment has already been made. As everybody is aware, the best fishing ground in Australia is considered to be off the Scamander River. Some time ago a young Englishman, who had had considerable experience of fishing in the old country, visited Tasmania, and

endeavoured to float a company to preserve the fish obtainable in the locality indicated. The project, however, fell through, simply because, although the fishing ground off the Scamander River is an admirable one for tourists, there were not sufficient fish to enable the company to start operations upon the large scale that would be necessary to make it a financial success.

Mr. WATSON.—There is a fish preserving industry on the New South Wales coast at the present time.

Mr. McWILLIAMS.—What sort of fish are preserved?

Mr. WATSON.—I cannot say.

Mr. McWILLIAMS.—We have tried the experiment in Tasmania, and without success.

Mr. EWING.—Quite as many fish pass along the eastern seaboard of Australia as are to be found in any part of the world.

Mr. McWILLIAMS.—I do hope that, if the proposed £8,000 be expended, it will result in the establishment of the fish preserving industry. But I believe that it is impossible to obtain a sufficient supply to permit of that being done.

Mr. WATSON.—It is the difficulty of getting fish distributed which keeps them out of more general consumption.

Mr. McWILLIAMS.—If a plentiful supply were available—notwithstanding that the middleman frequently obtains quite as much in the way of profit as the fisherman gets for his labours—the price of fish would come down. I credit Ministers with sincerity in this matter, but I believe that the project is doomed to failure. Recognising that the money will be absolutely thrown away, I shall—if the item be pressed to a division—vote against it.

Mr. JOSEPH COOK (Parramatta) [5.5].—I support this vote most cordially.

Mr. BROWN.—Where is the anti-Socialist now?

Mr. JOSEPH COOK.—The trouble really is that I am anxious to take the last vestige of the cry of “stinking fish” from the honorable member. I maintain that, if this money be thrown away, it will be thrown away in a very good cause indeed.

Mr. WILKS.—If the Government build the trawler in my electorate it will be all right.

Mr. JOSEPH COOK.—I will support the honorable member in any proposal of that character. I am afraid that we are succumbing to the influences which have

been operative here for some time, and really one may be forgiven if, in a temperate like this, one's political fibre begins to relax somewhat. But speaking seriously, it occurs to me that, of all the amounts which it is proposed to allocate in the distribution of the Treasurer's surplus, the vote of £8,000 to enable the deep sea fisheries of Australia to be thoroughly tested is most to be commended. It is worth that amount to learn the facts of the case, and if those facts are as I believe, the waters of Australia are as plentifully supplied with fish as are those of any other part of the world. That is my information, and upon the strength of such assurances I am prepared to support this item in order to place the matter beyond doubt. Should experience prove that we have not the teeming millions of fish which are to be found in the deep sea fisheries of other countries, I say that we have thrown away £8,000 in many a worse speculation. I do not think that we could spend a portion of the Treasurer's surplus in any better way than that proposed, always provided that this trawler is to be built in New South Wales, and in the electorate of the honorable member for Dalley.

Mr. KELLY.—The honorable member had better make that remark satirical or it will be used against him.

Mr. JOSEPH COOK.—It is by no means satirical. I mean it absolutely. I think it is about time that Mort's Dock got a look in in connexion with the dispensation of favours by the Government. I trust that the proposed venture will prove the success which is anticipated.

Mr. JOHNSON (Lang) [5.11].—I am afraid that some honorable members are in danger of seriously falling away from grace. I wish it to be distinctly understood that I do not follow either the honorable member for Dalley or the deputy leader of the Opposition in supporting this proposal, conditional upon the trawler being constructed in any part of the Commonwealth. I am only anxious that if the item is passed we shall obtain the best result possible for our expenditure. If the most expert builders are to be found in Australia, and if the vessel can be constructed here as cheaply and efficiently as it can be elsewhere, by all means let us give a preference to our local builders. But let us get the best results for the money.

Mr. STORRER (Bass) [5.12].—I intend to vote against the Government proposal, because I regard it as an interference with private enterprise. At the present time, there are a number of persons who obtain their livelihood by fishing. We have conducted many similar experiments in connexion with larger concerns—experiments which have proved absolute failures. I am not disposed to support a proposal to expend £8,000 in an enterprise which I feel sure will fail. Stronger evidence in its favour should be forthcoming to justify this vote.

Mr. TUDOR (Yarra) [5.13].—I shall support the Government proposal in order that the waters all round our Australian coast may be thoroughly tested. It is quite possible—despite the experiments which have been conducted in New South Wales and Tasmania—that there are fishing grounds upon our coasts which have not been properly tested, and which will yield an abundant supply of fish. I should even be prepared to vote for the construction and equipment of a number of trawlers so that the Government might undertake fishing upon behalf of the entire community. In the course of his remarks the honorable member for Franklin stated that the middlemen usually absorb as much profit as the fishermen derive from their labours. That has been the case in connexion with this industry throughout Australia. In some instances the middlemen have absorbed two-thirds of the amount for which the fish have been sold. In Victoria it sometimes happened that the fishermen, after having worked all the week, actually had to pay something in order to get their baskets returned to them. It was only when they formed themselves into an association that they were able to combat the evil influences of the middlemen.

Mr. JOSEPH COOK.—The honorable member does not believe in private enterprise.

Mr. TUDOR.—The vote that I shall cast on this item will, at all events, be consistent with others I have given. An explanation will certainly be required of some honorable members opposite who are prepared to vote for an expenditure of £8,000 on a Government trawler.

Mr. PAGE.—They are anti-Socialists.

Mr. TUDOR.—They are when it suits them, just as they are free-traders when it

suits them to support the free-trade cause. But when there is a prospect of a Government steamer being built within one of their electorates, they are ready to support local industry. If this vessel is to be built in Australia, preference should be given to a Government yard. It could be built either at the Fitzroy dock—

Mr. WILKS.—That is in my electorate.

Mr. TUDOR.—There is no dock-yard in the electorate which I represent, but the Government workshops at Newport ought to be able to build such a vessel, and to turn it out—as in the case of railway locomotives—at a price lower than would be demanded by private firms. I trust that this proposal will lead to a revision of the regulations relating to deep-sea fishing. I doubt whether, under the existing conditions, a Commonwealth trawler could fish anywhere in Bass Straits without contravening the Tasmanian fishing regulations. I believe that under one of the regulations of that State the use of a net which is more than a quarter of a mile in length and 16 feet in depth is prohibited. Those in charge of a trawler of this kind would not think of using such a shallow net.

Mr. MCWILLIAMS.—Tasmania does not object to the operations of fishermen from other States so long as they are not conducted immediately along her coast line.

Mr. TUDOR.—Not long ago, the Tasmanian authorities seized a Victorian fishing boat when it was fifty miles nearer the Victorian than the Tasmanian coast. I hope that as the result of this experiment we shall secure uniform fishing regulations, and that it will lead to the control of the fishing industry being transferred to the Commonwealth. Islands within four miles of Victoria are held to be within Tasmanian waters, although they are something like 150 miles distant from that State.

Mr. JOHNSON.—Does Tasmania claim jurisdiction over all the waters of the Strait that are more than three miles from the Victorian coast?

Mr. TUDOR.—Yes. I shall support the item, and I hope that a division will be called for, so that we shall see on the division list the names of some honorable members, who, although they pose as anti-Socialists, are prepared to vote for the expenditure of £8,000 of the money of the people to support this enterprise.

Question—That the item “Trawler, £8,000” be agreed to—put. The Committee divided.

Ayes	34
Noes	6

Majority	28
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AYES.

Bamford, F. W.
Brown, T.
Cameron, D. N.
Carpenter, W. H.
Chapman, A.
Cook, Joseph
Cook, Hume
Crouch, R. A.
Culpin, M.
Deakin, A.
Ewing, T. T.
Forrest, Sir J.
Frazer, C. E.
Glynn, P. McM.
Groom, L. E.
Higgins, H. B.
Hutchison, J.
Isaacs, I. A.

Kennedy, T.
Maloney, W. R. N.
Mauger, S.
McLean, A.
Reid, G. H.
Ronald, J. B.
Skene, T.
Spence, W. G.
Thomson, Dugald
Thomson, David
Tudor, F. G.
Watson, J. C.
Wilks, W. H.
Willis, Henry

Tellers:

Fisher, A.
Kelly, W. H.

NOES.

Batchelor, E. L.
Fysh, Sir P. O.
Lonsdale, E.
Storror, D.

Tellers:

McWilliams, W. J.
Page, J.

PAIRS.

Chanter, J. M.
Fuller, G. W.

Smith, B.
Cameron, D. N.

Question so resolved in the affirmative.
Item agreed to.

Proposed vote agreed to.

Division 3 (*Defence*), £59,177.

Mr. KELLY (Wentworth) [5.27].—There are a number of items in this division which relate to rifle ranges. The information I have in my possession is to the effect that at present the Commonwealth does not possess a range. Year after year we are expending money on ranges which we occupy at the will of private owners.

Mr. GROOM.—The honorable member means to say that in some instances we do so.

Mr. KELLY.—The Minister must know that we have no rifle ranges on land possessed by the Commonwealth.

Mr. DEAKIN.—We own rifle ranges in Sydney and in Melbourne.

Mr. KELLY.—There may be one or two isolated instances in which we own the whole land on which rifle ranges have been established, but I wish to know whether the votes to which I refer are designed to secure to the Commonwealth the ownership of land, or whether they are simply in-

tended to provide for the erection of buildings on privately-owned land from which we may be ejected at very short notice.

Mr. GROOM (Darling Downs—Minister of Home Affairs) [5.29].—In some instances, these items relate to the acquisition of sites for rifle ranges. I would point out that the item relating to the Singleton rifle range is to provide for the acquisition of land, and that in several other cases we shall acquire the freehold. Many rifle ranges actually belong to the Commonwealth.

Mr. KELLY.—The great majority of them do not belong to the Commonwealth.

Mr. DEAKIN.—They will by-and-by.

Mr. GROOM.—We are, at all events, acquiring rifle ranges in the vicinity of the larger towns.

Mr. BROWN (Canobolas) [5.30].—Sub-division 1 of division 3 contains a number of votes for rifle ranges and rifle clubs. For instance, item 3 provides a re-vote of £105, and a vote of £2,707, under the heading of “new service.” Then item 5 provides £265 for alterations and improvements to rifle ranges generally, while £320 is provided for the Bathurst rifle range, and £383 for the Adamstown rifle range; and in item 11, £3,356 is provided for new works in connexion with rifle ranges. I wish to know what is being done in regard to the improvement of old rifle ranges. I have had communications respecting the position of the Orange rifle range, where there seems to be some doubt as to whether the improvements are to be carried out according to an obsolete system, or whether an up-to-date and proper equipment is to be provided. In my opinion, it is extremely desirable that in all cases our rifle ranges shall be equipped with modern apparatus. Where repairs are necessary and equipment is obsolete, it should be replaced with new and up-to-date apparatus. I wish to know, also, whether the Department makes grants to rifle clubs without taking into consideration the cost of the work to be done in connexion with a club’s range. For instance, it has come under my notice that the sum allotted to the recently-formed rifle club at Condo-bolin for the laying-out and equipping of its range is insufficient, it being found impossible to obtain tenders for the work for the sum at the disposal of the club. What is the practice of the Department in these cases? Will an additional grant be made to provide the balance necessary for the

completion of the work, or is it considered that the members of the club should find what is necessary? I fail to see why a new club should be heavily handicapped by having to incur a serious debt for the proper equipment of its range.

Mr. KELLY (Wentworth) [5.35].—The Minister explained just now that where the express purpose of a vote for a rifle club was not mentioned, it could be taken that the money was not being spent on the purchase of sites. I find that no less than £6,781 is to be so spent. Practically all the country ranges in New South Wales are rented from private owners.

Mr. GROOM. — My information is that hundreds of them are the property of the Commonwealth, though some are leased. Our desire is to acquire security of tenure before spending any money.

Mr. KELLY.—I wish to know how much of this money is to be expended on ranges which are leased from private land-holders, and what are the terms under which the land is leased. I should also like to know from the Minister if the Department can see its way within the near future to provide artillery ranges. Perhaps he will bring the matter under the attention of his colleagues.

Mr. GROOM.—I shall do so.

Mr. KELLY.—There is at present no artillery range in Australia, though we spend £50,000 a year on the purchase of artillery.

Mr. GROOM (Darling Downs—Minister of Home Affairs) [5.38].—Replying to the questions of the honorable member for Canobolas, part of the sum provided for alterations and improvements to rifle ranges is to be spent on the Orange rifle range.

Mr. BROWN.—Is that range to be given an up-to-date equipment?

Mr. GROOM.—It is proposed to extend the sunken mantlet, to instal a shutter target frame of the "Owen" pattern, fitted with a pair of canvas targets of each class, and to utilize the old iron target in the new work. The range will be improved as much as possible, and its equipment brought up to the requirements of the Defence Department. With regard to the position of the Condobolin Rifle Club, every club in Australia receives a grant on an absolutely uniform basis, according to the number of its members, the sums paid varying from £20 to £40.

Mr. BROWN.—Suppose that the amount is not sufficient?

Mr. GROOM.—In that case the members must provide the balance for themselves. All clubs are treated alike in this matter.

Mr. KELLY (Wentworth) [5.40]. — I should like to know what is the state of the negotiations in regard to the acquisition of the land required for the North Fremantle fort? How much of the £8,000 set down in the Estimates is to be spent in acquiring the necessary site, and how much is to be spent in the construction of the fort?

Mr. GROOM (Darling Downs—Minister of Home Affairs) [5.41].—There is a dispute in regard to the land in question. The owner has made a claim for compensation which the Commonwealth will not acknowledge, and proceedings have been taken in the High Court. The value of the land will be determined by judicial decision.

Mr. CARPENTER (Fremantle) [5.42]. —I understand that there has been delay in regard to the acquisition of the land required for this fort; but I understood last year, when money was voted for this purpose, that the work would be proceeded with. Then a dispute arose as to the size of the guns to be used, and the Government asked the advice of the Imperial Defence Committee on the subject. The Committee's report having come to hand, I wish to know what has been done.

Mr. GROOM (Darling Downs—Minister of Home Affairs) [5.43].—Plans had been prepared, and everything was in readiness, when a request came for an alteration in the armament of the proposed fort. Nothing further was therefore done, pending the report of the Imperial Defence Committee, which is now under consideration, having come to hand only a short time since. As soon as the Department arrives at a decision, the matter will be proceeded with.

Mr. CARPENTER (Fremantle) [5.44]. —I do not understand the Minister's reply, because the report of the Defence Committee was received some weeks ago. I understand that a 6-inch gun is now recommended. I believe that plans were prepared for 7.5-inch guns, and we were told that if 6-inch guns were decided upon fresh plans would have to be drawn. I wish to know whether new plans are being prepared, and when the work is likely to be carried out?

Mr. GROOM (Darling Downs—Minister of Home Affairs) [5.45].—The land has been acquired, and the only question to be

settled is as to the price to be paid for it. We are now awaiting the decision of the Defence Department with respect to the armament, and as soon as that has been communicated, the work will be proceeded with. Of course, the honorable member will recognise that the report of the Imperial Defence Committee relates to a large number of matters which call for serious consideration.

Mr. KELLY (Wentworth) [5.46].—I think that the Defence Department should have arrived at a decision long before this. They have been in possession of the report of the Defence Committee for a considerable time. I should like to know whether we are going to stultify ourselves completely. The Government sent to England and sought the highest advice with regard to the armament of the forts of Fremantle, and other matters, and there should be no need for delay in arriving at a decision. I agree with the honorable member for Fremantle that in all these questions the Government should loyally abide by the verdict of the Imperial Defence Committee, and act upon it at the earliest possible moment.

Mr. JOHNSON (Lang) [5.47].—I agree with the honorable member for Wentworth. The Government have no right to flout the authority whose advice they have sought.

Mr. GROOM.—There is no flouting in the case.

Mr. JOHNSON.—That is what the conduct of the Government amounts to. I should like some information in regard to the proposed votes of £8,000 towards the construction of the fort, and acquisition of the site at North Fremantle, and of £580 for the fort and quarters at Arthur's Head. I see by the foot-note that the total estimated cost of these works is £87,000, and that the expenditure incurred up to the 30th June, 1906, inclusive of £24,000, under division 6, sub-division 1, item 10, of 1905-6, amounted to £43,398. Last year, when we were discussing the estimates for Fremantle, we were told that some change was to be made in the armament. It was first intended to mount 6-inch and 7.5-inch guns at these forts, but it was afterwards suggested that 9.2-inch guns should be substituted. I should like to know whether the Minister is in a position to give us any information as to the recommendation that has been made in this connexion?

Mr. GROOM.—That information is in the possession of the Defence Department.

Mr. JOHNSON.—The information is desired, because I take it, that the cost of constructing the fort will, to a very large extent, depend on the character of the armament decided upon.

Mr. GROOM.—The question of armament is one for the Defence Department to decide. We merely construct the works when we know what the Defence Department require.

Mr. JOHNSON.—Yes, but we are being asked to vote a certain sum of money which may prove to be excessive, if 6-inch or 7.5-inch guns are mounted in the forts, instead of 9.2-inch guns, and I think that we are entitled to know what kind of armament is to be provided.

Mr. GROOM.—I could not give the honorable member information as to the decisions of the Defence Department.

Mr. KELLY (Wentworth) [5.53].—I think that the Minister should be in a position to afford the information asked for by the honorable member for Lang. We should not be asked to pass items of this character in ignorance, simply because the Minister does not happen to be in possession of essential information. I notice that the proposed vote is smaller by £2,000 than the sum voted last year. I should like to know whether that reduction is due to the new method that has been adopted in arriving at a valuation of the land required for the fort, or whether it is owing to some changes in the construction of the fort. I do not think that the reduction can be altogether due to any saving that may be contemplated in connexion with the construction of the fort, but, at any rate, the Committee should be informed roughly as to the manner in which the money is to be expended. After all, we are the guardians of the public purse, and cannot altogether delegate our powers to any officer of the Defence Department, however highly qualified and efficient he may be. The Minister seems to think that he has performed his duty when he has given all the information that happens to be in his possession. Unless the Minister is in a position to afford the information asked for, I think that we shall have to test once and for all the question whether this Committee is to surrender absolutely its powers to some one entirely beyond the control of the people.

Mr. GROOM (Darling Downs) [5.56].—I thought that I had made the position

quite clear. An important report has been received from the Imperial Defence Committee, and before the construction of the fort can be further proceeded with the recommendations contained in that report will have to be very seriously considered. The Defence Department have not yet communicated their decision to us, and I cannot therefore give the honorable member for Wentworth the information that he desires. He must know that confidential reports are received by the Defence Department.

Mr. KELLY.—Why does the Minister beg the question?

Mr. GROOM.—I am not begging the question. The honorable member for Fremantle asked me whether I could tell him how the matter stood, and I explained that the proposed vote of £8,000 included the sum that would have to be paid for the land that had been acquired. The claim in respect of this land will, I hope, be adjudicated upon by the High Court when it visits Western Australia in October next. I told the honorable member, further, that the balance of the sum would be available for the construction of the fort, but that the Defence Department had asked us to stay our hands pending the receipt of their decision upon the recommendations of the Imperial Defence Committee.

Mr. KELLY.—I asked the Minister how much money was to be devoted for the purchase of the site, and how much was to be appropriated to the work of constructing the fort?

Mr. GROOM.—I could not give the honorable member that information, because the High Court has not yet fixed the amount to be paid for the land. All I can say is that a sufficient sum has been placed upon the Estimates to meet any expenditure that is likely to take place during the current year.

Mr. KELLY (Wentworth) [5.58].—I merely wished to know what portion of the £8,000 was intended to be devoted to the construction of the fort. Of course, the Minister could not at the present time tell me how much money was to be paid for the land, but he should have been able to inform us as to the amount proposed to be spent upon the fort. He ignored the question of the honorable member for Lang.

Mr. GROOM.—I did not. I was perfectly courteous to the honorable member.

Mr. KELLY.—It seems to me that the Minister should know what has been set aside for the construction of the fort.

Mr. JOHNSON (Lang) [5.59].—In view of the statement of the Minister, I move—

That the consideration of items 16 and 17, sub-division 5, be postponed.

We should not be called upon to pass the items until the Minister is in possession of such information as will enable honorable members to know what they are voting for. I think that we are entitled to have the information asked for.

Mr. GROOM.—It would involve the whole question of our coastal defence.

Mr. JOHNSON.—The question which I have asked refers particularly to the armament of these forts.

Mr. GROOM.—Did I not tell the honorable member that the Department has not yet arrived at a decision upon that matter?

Mr. JOHNSON.—Then we are asked to vote money without knowing the purposes for which it is to be expended. Surely the Minister must know the amount which will be set aside for the purchase of the land? Altogether, the proposals of the Government involve an expenditure of £87,000.

Mr. McWILLIAMS (Franklin) [6.2].—I think that I thoroughly understand the explanation of the Minister. It seems that the amount which is to be paid for the land is already the subject of a judicial inquiry. That being so, if the Minister were to say how much the Government expected to give for the land he might prejudice their case.

Mr. KELLY.—Surely that remark does not apply to the forts themselves?

Mr. McWILLIAMS.—I regard the explanation of the Minister as entirely satisfactory, and I hope that the honorable member for Lang will withdraw his motion.

Mr. STORRER (Bass) [6.3].—I am of opinion that the defences of the Commonwealth would be far better managed if honorable members did not know so much about them. Instead of a certain sum being placed upon the Estimates to permit of the necessary works being undertaken, and instead of relying upon our expert officers to manage the affairs of the Department in a secret way, every item of

expenditure is canvassed in this House, so that the information supplied goes forth to the world, with the result that everybody knows just as much about our own business as we know ourselves. The defence of Australia, I contend, is not upon a sound footing.

Mr. JOHNSON.—Does the honorable member approve of voting money in the dark?

Mr. STORRER.—As a business man, I appoint a certain individual to discharge certain functions. I hand him certain money, but I do not proclaim to the world what he is to do with it.

Mr. JOHNSON.—According to the honorable member's dictum, there is no necessity for Parliament at all.

Mr. STORRER.—If the honorable member will notify me when he has concluded his remarks, I will proceed. I contend that the defence of the Commonwealth is badly managed, and that there are too many honorable members in this Chamber endeavouring to control it. As one who is anxious to see our defences placed upon a sound basis, I say that the carrying out of these works should be left to our experts. If we have not confidence in those experts, let us appoint others in whom we have confidence, instead of advertising to the world all our weak, as well as our strong, points. When the honorable and learned member for Angas was speaking a few minutes ago, he pointed out that under the present method of debiting works expenditure to the States, Tasmania is called upon to pay £21,000, whereas under a *per capita* system she would have had to contribute £29,000. Had he gone back for a period of three years, he would have noticed that the expenditure of that State upon a *per capita* basis would have been £50,000, whereas under the present system it was £51,000. Also he would have discovered that during three years the expenditure of Western Australia upon a *per capita* basis would have been £70,000, whereas the actual expenditure was £186,000.

Mr. FRAZER.—The honorable member is getting provincial.

Mr. STORRER.—I think that we need to become provincial when money is spent in that way.

Mr. KELLY (Wentworth) [6.6].—I think that the honorable member for Bass will see that he has done a very grave in-

justice to honorable members on this side of the Chamber. I scarcely think that he meant what he said.

Mr. STORRER.—I always say what I mean and mean what I say.

Mr. KELLY.—If the honorable member really meant what he said he is prepared to forego the greatest trust which his constituents have reposed in him, namely, the trusteeship of the public purse. They did not intend that any officer of our Departments should be allowed to do exactly as he might please in these matters without any scrutiny from him. Regarding the statement that we are giving away secrets to the enemy and similar clap-trap, I do not think that any serious-minded individual will pay much attention to it.

Mr. JOHNSON (Lang) [6.7].—I am surprised at the view which has been expressed by the honorable member for Bass. If we subscribe to his dictum we might just as well close up Parliament entirely. All that would be necessary would be to say to the Treasurer, "Here is £1,000,000. Spend it as you choose. We are content to trust you implicitly, and, although it is the people's money, we are not in the slightest degree interested in the way that it is expended. We shall shut our eyes and open our mouths."

Mr. STORRER.—I rise to a point of order. The honorable member is professing to quote some of my statements, but he is not doing so. Is that in order?

The CHAIRMAN.—It would not be in order for the honorable member for Lang to misquote the honorable member for Bass, but I am sure that if he did so he did it unintentionally.

Mr. JOHNSON.—I did not profess to quote the remarks of the honorable member for Bass. I was merely stating what was the logical outcome of his contentions. He has put forward a most astounding proposition, and one to which I certainly cannot subscribe. Since he has been a member of the House he has very rarely advanced any reasons, intelligible or otherwise, for the votes which he has registered. For him to expect other honorable members to emulate his example is to expect too much. The principal point upon which I desire enlightenment has reference to the ordnance which is to be mounted at these two forts. I desire to know whether it is intended to mount 6-inch guns, 7.5-inch guns, or 9.2-inch guns?

Mr. KELLY.—I do not think it is necessary for the Minister to tell us that. But he should decide at once.

Mr. JOHNSON.—If we are asked to sanction the proposed expenditure to place 9.2-inch guns in position—guns which, when mounted, will be useless—we shall be absolutely throwing money away. I believe that a 6-inch gun and a 7.5-inch gun would be ample for all purposes, and would prove far more effective than would any 9.2-inch gun, especially in view of the peculiar situation of the Fremantle harbor from a naval stand-point. Rottneist Island interposes a natural barrier against the effective use of long-range ordnance.

Mr. FISHER (Wide Bay) [6.11].—I do not agree with the contention of the honorable member for Lang in regard to this matter. Ample opportunities are presented to honorable members for discussing the calibre of the guns to be mounted for various purposes. I do not think that that information need be sought in this Committee. The honorable member has been good enough to venture an opinion as to the class of gun which should be mounted in these forts, but I think that there are very few honorable members who will regard him as an authority upon that subject. I repeat that there are ample opportunities afforded honorable members of discussing the general question of armaments. Surely there is no need in connexion with a small item upon the Estimates to demand information as to the exact type of gun which is to be mounted in a certain fort.

Mr. KELLY.—We merely wish to know what the Government intend to do.

Mr. FISHER.—That is an entirely different matter. I agree with the honorable member for Lang up to a certain point. We ought to know the amount which is to be expended upon this work, but it is not at all necessary for the Minister to inform honorable members of the particular type of gun which is to be employed. If there were no other opportunities of gaining that information—

Mr. JOHNSON.—What other opportunities are there?

Mr. FISHER.—If a Government fails in its duty in the matter of the defence of the Commonwealth, it ought not to be permitted to remain in office.

Mr. CARPENTER (Fremantle) [6.13].—I trust that the motion of the honorable member for Lang will not be pressed. I quite agree that it is necessary that hon-

orable members should be supplied with all the information possible before they are asked to sanction any expenditure. The honorable member's objection to this item is prompted by the fact that he is unaware of the particular type of gun which is to be used at these forts, and, consequently, he does not know the amount which Parliament will subsequently be asked to vote. But I would point out to him that any such objection should have been urged last year when this work was commenced. The original estimate for the undertaking was based upon a 6-inch armament. If there had not been a question raised as to whether the use of a larger gun was not desirable, the delay which has occurred would have been obviated.

Mr. GROOM. — It was afterwards decided to have plans prepared upon the supposition that 7.5-inch guns would be mounted.

Mr. CARPENTER.—Yes. That was after the matter had been brought before the House. I do not think that there will be an increase on the amount originally named; the amount expended may possibly be less than that mentioned in the footnote. We are not asked to vote the total sum necessary to complete the work. We are simply invited to vote £8,000 towards the purchase of the necessary land, and to carry on the work which has been entered upon. I agree with the Minister that it is impossible to say what the total cost will be until we know what guns are to be mounted. The Defence Department should by this time have determined that question, but the fact that they have not done so does not afford a sufficient reason for refusing to vote the money necessary to carry on the work, and to pay for the land in process of acquirement. I would urge the honorable member to withdraw his motion.

Mr. JOHNSON (Lang) [6.17].—If it was originally intended that the fort should be constructed on a scale which would permit only of the mounting of 6-inch guns, its entire reconstruction might be necessary to allow of the mounting of heavier ordnance.

Mr. DUGALD THOMSON.—But the plans were altered before the change in the calibre of the guns was decided upon.

Mr. JOHNSON.—That is an explanation which ought to have been given by the Minister.

Mr. GROOM.—I referred to it. Plans were prepared to permit of the mounting of

7.5 guns, and the Department of Home Affairs was then asked to stay its hand, pending the determination of the question of what the new armament should be. We are now awaiting the decision of the Department of Defence.

Mr. JOHNSON. -- Then this item is based on the proposal to mount 7.5 guns?

Mr. GROOM.—All that I can say is that part of the item is to provide for the acquisition of a site, which is the subject of litigation. In the circumstances, I cannot disclose the details; but the officers advise that this amount will be sufficient to cover the expenditure that is likely to be incurred this year.

Mr. JOHNSON.—I have no desire that the Minister should disclose confidential information, and, in the light of the additional facts which have been presented since I raised objection to the item, I will not press my motion.

Motion, by leave, withdrawn.

Mr. McWILLIAMS (Franklin) [6.19].—In connexion with the item "Alterations to Sandy Bay rifle range, £300," I should like to inquire whether that rifle range is to be a permanent one. As the Minister is aware, there has been much local agitation, and the opening of the range at Sandy Bay—a suburb of Hobart—has practically put a stop to building operations in that direction. Statements have also been made that persons walking along the hills at the rear of the range have on several occasions narrowly escaped being shot. I hope that the Minister recognises that we ought not to agree to the expenditure of large sums on temporary rifle ranges, that he has carefully considered what may be the effect of this range on the development of Sandy Bay, and that he has not lost sight of the point that it may endanger the lives of persons, and render the Government liable to an action for damages. The question is a much-vexed one, and I hope that the Minister will be able to give us some information with regard to it.

Mr. GROOM (Darling Downs—Minister of Home Affairs) [6.21].—As the honorable member has said, the Sandy Bay rifle range has been the subject of careful and anxious inquiries on the part of the Department. A number of alternative sites were suggested, and some of them were withdrawn almost as soon as they were mentioned. Several visits were paid to Sandy Bay by the officers of the Department, and, after careful inquiry it was definitely decided

that the Sandy Bay rifle range should be a permanent one. With a view to minimizing the risk of accident, the Department have acquired land in the immediate neighbourhood of the range, and this item of £300, which will be applied to the long distance ranges, is expressly intended to secure the safety of the public. It is intended that this shall be the rifle range for Hobart.

Mr. REID (East Sydney) [6.22].—I should like to point out a rather unsatisfactory feature in connexion with these Estimates. I refer to the fact that votes are passed, and that the conduct of the Department seems to show either that they ask for a much larger sum than is necessary, or that they are neglectful of their duty in that they fail to carry out works for which Parliament has made provision. The subdivision relating to Tasmania, which is now under consideration, shows the same disproportion as exists in connexion with the total sum for the division. Last year, under this subdivision, £3,196 was asked for by the Government as a sum which it would be proper to expend in the twelve months ending 30th June, 1906. The actual expenditure, however, amounted to only £1,373. In these circumstances we either voted more than twice the amount that was required, or works which ought to have been constructed have not yet been carried out. The same observation will apply to the whole of these Estimates. We voted for these services last year £66,500, but only £33,000 was actually expended. The result is that re-votes amounting to £22,500 are sought by the Government. I have two suggestions to make. Either the Government should not ask for more than they can spend during the financial year, or, having asked for and obtained a certain vote, they should see that it is expended—not recklessly, but in carrying out the works of which Parliament has approved. When votes are not expended the finances of the States are sometimes seriously disarranged—disarranged occasionally to the advantage of the States' Treasurers, and sometimes to their disadvantage.

Mr. GROOM (Darling Downs—Minister of Home Affairs) [6.26].—The leader of the Opposition has referred to a matter which has not escaped the attention of the Government; but good reason can be given for the fact that some votes have not been expended. Let me explain the position

A Department recommends to the Department of Home Affairs that a given sum should be appropriated in respect of a certain work, and after the vote has been granted a requisition is sent in for the execution of that work. It is then necessary to investigate the requirements of the Department concerned. If a post-office or some other Government building is required a sketch plan has to be prepared showing the disposition of the space required. This having been approved, plans have to be drawn, and tenders have to be invited. In consequence of the delay in carrying out these details, votes are often passed which are not expended within the financial year.

Mr. REID. — Everything should be in readiness for the work to proceed.

Mr. GROOM.—I think it will be found that these delays will not occur so frequently in connexion with the amounts upon these Estimates. We have pressed the Departments to apprise the Department of Home Affairs early in the year of the nature of the work required by them, so that we may be in readiness to proceed with the undertaking as soon as the necessary vote is passed.

Mr. DUGALD THOMSON.—The regulations to which the Minister refers were circulated last year.

Mr. GROOM.—That is so, but we have hitherto had some difficulty in bringing them into operation. It frequently happens that it is only at the last moment, so to speak, that a Department realizes its needs, but we are now in a better position than we were last year. Most of the sketch plans necessary in connexion with the votes to which honorable members are now asked to agree have been prepared, and as soon as the Appropriation Bill is passed we shall be in a position to call for tenders.

Mr. DUGALD THOMSON.—The passing of the Estimates late in the year has something to do with the fact that votes often lapse.

Mr. GROOM.—Exactly. We passed the Estimates at a fairly early period last session, with the result that we were enabled to push on with various works earlier than we should otherwise have been able to do. Let me refer, by way of illustration, to an item relating to the construction of large defence works. We are now in a position to know what are the requirements of the Department in relation to those works; the plans are in readiness, and as soon as the Estimates are passed tenders

will be called, and the major portion, if not the whole, of the vote will be expended during the financial year.

Mr. CROUCH.—Before the honorable member resumes his seat, I should like to inquire whether he thinks it right to include grants to rifle clubs under the heading of "New Works"?

Mr. GROOM.—The items to which the honorable and learned member refers relate, I presume, to new works in connexion with rifle clubs. I have only to say that the point raised by the leader of the Opposition is an important one, but that, in some cases, there is special reason for the delay which has taken place. I agree with the right honorable member that the finances of the States, as well as of the Commonwealth, are often disarranged when votes are not expended within the year for which they are passed.

Proposed vote agreed to.

Sitting suspended from 6.30 to 7.30 p.m.

Division 4 (*Post and Telegraph*), £71,555.

Mr. BAMFORD (Herbert) [7.31].—In subdivision 3, provision is made for the extension of the General Post Office, Brisbane, and for the erection of new post-offices at Atherton, Cairns, and Irvinebank. But, although I have on several occasions approached the authorities of the Postal Department with a view to getting a new post-office at Chillagoe, the only reply I have received has been that the matter will be inquired into, and I shall be informed later on, and now no provision is being made on these Estimates for a post-office at that place. I visited Chillagoe not long since, and, making a plan of the building in which the post and telegraph business of that town is transacted, sent it to the Department. The building originally consisted of two rooms and a verandah, but there are now five rooms, the verandah running round four sides. Of these rooms, one is used as the post-office, a second as the parcels room, the third is the telegraph office, and the postmaster, his wife, and four children share the remaining two as parlour, dining-room, kitchen, and bedroom. The structure is of iron on a wooden frame, and could not have cost more than £400, inclusive of the land. For it the Department are paying an annual rental of £45, which is equivalent to interest at 5 per cent. on an expenditure of £900. This shows what a poor business

arrangement it is to remain in occupation of such inferior premises when, by the expenditure of £500 or £600, much better accommodation could be given in a new building, both for the public and for the officer in charge.

Mr. GROOM.—Does Chillagoe promise to be a permanent township?

Mr. BAMFORD.—Yes. I was asked that question five years ago. The Chillagoe Company is constantly spending money upon the erection of new works there, while there are a number of other mining centres, such as the O.K. mine, round about. The State Government have reserved a site of nearly 2 acres in area in about the centre of the town for a post and telegraph office, so that in providing for a new building, all that the Government would have to consider would be the cost of the structure itself. The accommodation now given to the postmaster and his family is disgraceful, and something of which the Department ought to be ashamed. I hope that the Minister of Home Affairs will give me his assurance that the matter will receive attention. The Postmaster-General has told me several times that it will be attended to; but I ask now for some definite promise.

Mr. GROOM (Darling Downs—Minister of Home Affairs) [7.35].—The honorable member has made out a case deserving serious and immediate consideration. The probable permanency of a settlement must always be inquired into before the erection of a post-office is sanctioned; but Chillagoe appears to be a permanent town. There are other mines in the neighbourhood besides the Chillagoe mine, whose postal business is transacted at this office, and from the description given, the quarters of the postmaster and his family, remembering the climate of the place, should certainly be improved. I shall at once put myself in communication with the Postal Department in connexion with the matter.

Mr. HENRY WILLIS (Robertson) [7.37].—I should like some information from the Minister of Home Affairs in regard to the proposed expenditure of £1,110, together with a re-vote of £2,499, making in all £3,609, upon the Cairns post-office. Was the amount voted last year not sufficient to carry out the work?

Mr. GROOM (Darling Downs—Minister of Home Affairs) [7.38].—The appropriation last year was £2,500, but, when the money was voted, the plans and specifica-

tions were not ready for the erection of the building. The Inspector-General visited the town this year in company with an officer of the Queensland Government, since when plans have been prepared, and a tender accepted. Cairns is a township requiring a permanent post-office of the character provided, and the expenditure asked for is absolutely justifiable.

Mr. BAMFORD.—It will be too little.

Mr. GROOM.—I am informed that the building will meet all necessary purposes for some time to come, although Cairns is an important and growing centre. Most careful inquiry has been made, so that excessive expenditure shall not be incurred.

Mr. BAMFORD (Herbert) [7.40].—Some years ago, the Town Council of Cairns passed a by-law requiring all buildings erected in a certain block to be of brick, concrete, or stone. That by-law was gazetted in January, 1905; but the Department wishes to ignore it by erecting a wooden structure. I contend that it has no more right than has a private person to treat a municipal by-law in this way. A municipal by-law having the indorsement of the Governor in Council is to all intents and purposes statutory law, and this Government has no right whatever to override any such by-law. The excuse urged is that there is not sufficient money available for the erection of a building such as would comply with the by-law; but, on the other hand, it is proposed to throw away £200,000 a year upon the establishment of penny postage throughout Australia. The excuse that money is not available will, no doubt, be constantly heard if we agree to the penny postage system. It is disgraceful for the Government authorities to flout the local council as they propose to do.

Mr. GROOM (Darling Downs—Minister of Home Affairs) [7.41].—It is not intended to flout the municipality of Cairns. What is proposed is the removal of a building from one position on a block of land to another.

Mr. BAMFORD.—That is only a quibble.

Mr. GROOM.—It is not a quibble. The Department always recognises the rules made by the authorities of the States for the public safety, and complies absolutely with them, at least so far as their spirit is concerned.

Mr. JOHNSON (Lang) [7.42].—I should like some information from the Minister in regard to the proposal to ex-

pend £8,000 in extending the General Post Office, Brisbane. I saw the building not very long ago, and it seemed to me to be a very commodious edifice.

Mr. R. EDWARDS.—It is not nearly large enough.

Mr. JOHNSON.—It seemed to me a palatial one for a city of the size of Brisbane.

Mr. GROOM (Darling Downs—Minister of Home Affairs) [7.43].—The Brisbane Post Office is utterly inadequate for the accommodation of the officers who have to work there. It was proposed, prior to Federation, to spend £130,000 upon the construction of a new building, and that amount was on the Estimates submitted to the first Parliament. The Commonwealth pays £720 for the rental of two buildings—one of them an old theatre—which are at some distance from the post-office, to give the necessary accommodation, but the arrangement is inconvenient, and increases the difficulties of administration. The proposed extension is to provide a parcels office, accommodation for the mail room branch, a telegraph operating room, accommodation for the accounts branch, strong rooms, a dead letter office, accommodation for the checking branch, accommodation for the correspondence branch, new detective galleries, and other requirements. The whole matter has been carefully considered, and the expenditure proposed is the minimum justified.

Mr. R. EDWARDS (Oxley) [7.44].—The present accommodation in the Brisbane General Post Office is utterly inadequate, because, although the building has a very fine appearance, it contains only two floors. As the Minister has stated, the Barton Government decided to erect a new structure, and I only regret that there is not a vote on the Estimates for that purpose, instead of the £8,000 proposed.

Mr. GROOM.—The vote asked for covers as much work as can be done during the year.

Mr. R. EDWARDS.—I trust that there will be no objection to the proposed vote, because there is no doubt that additional accommodation is required in Brisbane as well as in Melbourne, Sydney, and other places.

Mr. CULPIN (Brisbane) [7.46].—The proposed vote will be only a small instalment of what is due to Queensland.

Mr. BAMFORD.—Yes, and it was very ungracious on the part of the honorable member for Lang to raise any objection.

Mr. CULPIN.—The proposed expenditure will be very small as compared with that contemplated by the State Government before the Postal Department was transferred to the Commonwealth. I should like to know whether sufficient accommodation will be provided by the expenditure of the proposed vote.

Mr. GROOM.—All the requirements of the public and of the departmental officers will be met.

Mr. CULPIN.—I trust that ample accommodation will be provided for the officers. I understand that it is intended to concentrate the whole of the work of the Department in the one building, instead of having it performed in different parts of the city as at present, and I hope that the proposed additions will be undertaken at once.

Mr. FISHER (Wide Bay) [7.47].—Some time ago the Department of Home Affairs notified public servants who were occupying* Commonwealth buildings that they would have to pay the water rates levied in connexion with such premises. I should like to know what position is now being assumed. I understand that it is not intended to insist upon the officers who occupy only part of a building paying the whole of the water rates levied in connexion with such premises.

Mr. GROOM (Darling Downs—Minister of Home Affairs) [7.48].—The Crown Solicitor expressed the opinion that officers occupying public buildings were liable for the payment of the water rates levied in connexion with them, and a notification to that effect was made. The matter was, however, again referred to the Public Service Commissioner, who, after looking into the matter, and considering the position in which public servants were placed, recommended that the demand for payment should be withdrawn. The officers have, therefore, been relieved of any obligation in the matter.

Mr. JOHNSON (Lang) [7.49].—I was surprised to hear the interjection of the honorable member for Herbert. Surely it is an extraordinary thing for the honorable member to contend that no honorable member has any right to ask for information regarding a proposed vote.

Mr. BAMFORD.—If the honorable member had known anything about the matter his action might have been forgivable.

Mr. JOHNSON.—If I had known anything about it, there would have been no

necessity to seek enlightenment. One cannot be expected to be familiar with the requirements in connexion with every post-office in the Commonwealth.

Mr. BAMFORD.—The honorable member might be content to trust the officers of the Department, who are familiar with the whole of the circumstances.

Mr. JOHNSON.—Not at all. We know very well that departmental officers sometimes make very serious mistakes. If we are not to ask for information when the Estimates are submitted we might as well pass them *en bloc*. I think that I was fully entitled to be informed as to the necessity of the proposed expenditure. I was not offering any factious opposition. In my own electorate there is one locality which is becoming very thickly populated, and which is badly in need of improved post-office accommodation. I refer to Miranda, where the whole of the postal business is conducted in one small room, not as large as this table. Yet I have not had the temerity to ask for improved accommodation. It is necessary to closely scrutinize proposed items of expenditure, in order that we may be able to justify our votes. As the Minister has assured me that additional accommodation is needed, and his statement has been corroborated by two representatives of Queensland, I do not propose to offer any opposition to the proposed vote.

Mr. DAVID THOMSON (Capricornia) [7.54].—It is very strange that honorable members representing other States should assume the part of watchdogs in regard to every item of expenditure relating to the State of Queensland. The honorable member for Lang, and others representing New South Wales, were absolutely dumb when the Estimates relating to that State were being dealt with; but immediately Queensland was mentioned they became very much on the alert.

Mr. JOHNSON.—We are not offering any opposition.

Mr. DAVID THOMSON.—The honorable member was offering opposition, and was not satisfied with the information afforded by the Minister. The State Government contemplated the expenditure of thousands of pounds upon additions to the General Post Office, Brisbane, and the proposed vote is sadly needed to provide accommodation both for the public and the post and telegraph officials. It is time that honorable members confined their

attention to matters with which they are familiar.

Mr. R. EDWARDS (Oxley) [7.56].—I had a short conversation with the honorable member for Lang before he asked the Minister for information regarding the proposed vote in connexion with the Brisbane Post Office. He certainly gave no indication that he intended to oppose the vote, but stated that he would merely seek information with regard to the necessity for the contemplated expenditure. I regret to find that no provision is made in the Estimates for additional post-office accommodation at Beaudesert. I visited that township at the beginning of the year, and I am satisfied that there is great need for improved accommodation. Beaudesert is a large and thriving settlement, with a rapidly increasing population, and I am sure that £200 or £300 could well be spent there in enlarging the present post-office. I recently spoke to the Postmaster-General with regard to this matter, and he told me that he was obtaining a report. I am afraid, however, that he has overlooked the matter.

Mr. AUSTIN CHAPMAN. — No, we have not lost sight of it.

Mr. R. EDWARDS.—If I am returned to the next Parliament I shall no longer represent the part of the country in which Beaudesert is located, and I should have been better pleased if, before I had ceased to be their representative, I had been able to secure for the residents some additional conveniences.

Mr. AUSTIN CHAPMAN.—I shall hurry up the matter to-morrow.

Mr. STORRER (Bass) [8.0].—When the Postmaster-General was in Tasmania some time ago a very large deputation waited upon him in reference to the Launceston post-office tower. All the members of the Commonwealth Parliament who have visited that city are acquainted with the peculiar features of that tower, and with the desire of the Launceston residents that it should be removed. The latter have even gone so far as to offer to instal, at their own expense, a clock and chimes which will cost about £1,500, if the postal authorities will demolish the existing tower and erect another which will be capable of receiving them. Upon the occasion of his recent visit to Launceston the Postmaster-General pointed out to the deputation to which I have referred that it was no part of the function of the Commonwealth to provide towers for post-offices. At the same time, he gave

that body a very sympathetic reply. Everybody who is familiar with Launceston knows how proud its residents are of its up-to-dateness and of its many beauties, and I need scarcely point out that the present post-office tower is a complete eyesore to the place. It was designed by the Tasmanian authorities, and was in an unfinished state when the building was taken over by the Commonwealth. I am strongly of opinion that the Government should either complete the tower or remove it altogether. Of course, I am aware that many country districts are urgently in need of postal conveniences, and I know that some time ago the Postmaster-General requested the various States Governments to reserve suitable sites for postal purposes in newly-established settlements. In my own constituency three such areas have been thus reserved. In the town of St. Leonards a splendid site is available for a post-office, and a great saving might be effected by the Commonwealth if it erected its own buildings upon it, instead of continuing to pay rent for offices. Adverting to the Launceston post-office tower, I feel disposed to move the reduction of the proposed vote by £5, in order to test the feeling of the Committee upon this question.

Mr. AUSTIN CHAPMAN.—Do not do that.

Mr. STORRER.—I wish to know whether Launceston is to receive justice in this matter?

Mr. DUGALD THOMSON.—The question does not affect Launceston only. It affects all the States.

Sir JOHN FORREST.—The honorable member for Bass really desires an increased vote.

Mr. STORRER.—But I cannot move in that direction. It is all very well for the Treasurer to make suggestions of that character, seeing that Western Australia is receiving four times as much in the way of expenditure upon public works as is Tasmania.

Mr. HENRY WILLIS.—What does the honorable member want?

Mr. STORRER.—I wish the post-office tower at Launceston removed. If it were demolished, the residents of that city would be quite prepared to rebuild it, and to make a complete job of it. When the Postmaster-General was in Tasmania he promised to favorably consider their request, but no doubt when the matter came before the Cabinet the Treasurer was present, and prevented him from doing as he would have

liked. In order to test the feeling of the Committee, I move—

That the proposed vote be reduced by £5.

Mr. BROWN (Canobolas) [8.9].—I hope that the honorable member for Bass will not persevere with his amendment. I need scarcely point out that Tasmania is not the only State which is prejudicially affected by the policy which is being pursued by the Postal Department. Other States have their grievances, and I am sorry to say that my own electorate has one. The reason why I urge the honorable member not to press his proposal to a division is that if he does so honorable members like myself will be precluded from entering fully into a discussion of the Government policy in this regard. In my opinion, the matter can be better dealt with, either by resolution, or when the Estimates-in-chief are under consideration.

Mr. FISHER (Wide Bay) [8.10].—I think that the honorable member for Bass has done a public service in drawing attention to the outrageously unsightly tower of the post-office in the pretty city of Launceston. Apparently the design was prepared by the State authorities, so that the Commonwealth is to a certain extent relieved from the imputation which would otherwise lie against it. The tower in question is the only eyesore which I observed during my two visits to Launceston.

Mr. HENRY WILLIS.—Has the tower been built?

Mr. FISHER.—Yes; and its unsightly appearance is such as to justify the demand that it should either be improved or demolished.

Mr. HENRY WILLIS.—I do not think that it could be improved.

Mr. FISHER.—It could be improved with ten pounds of dynamite. It is a most unsightly tower with which to crown a substantial structure.

Mr. JOHNSON (Lang) [8.13].—A little while ago, when I ventured to request information from the Minister of Home Affairs, the honorable member for Bass told me, in effect, that it was my province, not to seek information; but to hold my tongue.

Mr. STORRER.—That is not a fact.

Mr. JOHNSON.—The honorable member said that I should trust the Minister. The gist of his unsolicited advice was that I should simply say to the latter, "Here is the money," and that I should ask no questions.

Mr. STORRER.—I did not say anything of the kind.

Mr. JOHNSON.—That was the purport of the honorable member's remarks. The advice which he tendered to me this afternoon he might very well take himself at the present time. But I will be a little more considerate to the honorable member than he was to me. I understand that he proposes that this item should be reduced by £5. I have spent some very agreeable hours in Launceston, and I can certainly indorse his statement that the post-office tower there is nothing but a very unsightly excrescence. I understand that it is popularly known as the "pepper-box," and it more nearly resembles that little domestic article than does anything else I can think of. I would point out, however, that if the item were reduced as proposed, other works in Tasmania might be affected. It would perhaps be better for the honorable member for Bass to solicit the friendly offices of the Postmaster-General, and to personally suggest to him the improvements which he thinks desirable. I feel sure that the Postmaster-General will lend a sympathetic ear to his complaint. The item is a remarkably small one, and I, for one, shall not oppose it.

Mr. McWILLIAMS (Franklin) [8.17].—The object of the honorable member for Bass in moving this amendment was simply to draw the attention of the Committee to a matter which is worthy of serious consideration. The Launceston Post-office is a very handsome and commodious building, admirably suited to the requirements of the town. It was built by the State, but a difficulty arose in connexion with the erection of a tower, and, as the result of parliamentary interference, a structure was run up which absolutely destroys the appearance of the building. In view of the small sum required to improve the post-office, I think that this matter should receive the serious consideration of the Minister. The citizens of Hobart subscribed £1,500 for a clock and chimes, to be placed in position in the Hobart Post-office, and the inhabitants of Launceston are prepared to subscribe for a clock and chimes to be placed in the post-office tower, if a suitable structure be provided. The present one is not only an eye-sore, but is unsuitable to carry a clock and chimes. I should be sorry, indeed, if anything were done that would attract attention to so unsightly an object.

From my knowledge of Launceston, I think I can honestly say that in no other part of the Commonwealth have the people shown a greater degree of self-reliance or more determination to provide the town in which they live with all the adjuncts of modern civilization. At a cost of a few hundred pounds what is a positive eye-sore in one of the prettiest towns in Australia could be removed. I feel sure that the Minister of Home Affairs is not prepared to deny the request of the people of Launceston, since he shows a readiness to be somewhat lavish in his treatment of other parts of the Commonwealth.

Mr. CROUCH (Corio) [8.21].—I shall support the amendment moved by the honorable member for Bass, and trust that he will press it to a division. It is about time that we received something more than a sympathetic hearing from the Postmaster-General when we make requests in regard to postal buildings. The honorable gentleman is always very sympathetic, but he gives nothing. The Launceston "pepper-box" monstrosity should be removed, and it is just as well that the Committee should register its protest against the way in which postal requirements are dealt with by the Minister. I wish to refer to the position in regard to the clock in the Geelong Post-office tower.

The CHAIRMAN.—We have dealt with the Victorian Estimates, and those relating to Tasmania are now under consideration.

Mr. CROUCH.—I think that I shall put myself in order by moving that the amendment be so amended as to provide that the £5 by which the item is proposed to be reduced shall be applied to the erection of a clock in the Geelong Post-office tower.

The CHAIRMAN.—Such an amendment of the amendment would be out of order.

Mr. CROUCH.—Then I shall have to content myself by saying that I know of no provision for a clock in a post-office tower, although the space left for its face is still vacant. If the representative of Tasmania will assist me in drawing attention to the fact that post-office towers in other parts of the Commonwealth also need attention, I shall be prepared to support the amendment.

Mr. KELLY (Wentworth) [8.24].—After listening to the debate, I am somewhat at a loss to determine what are the true functions of the Post and Telegraph Department, which I have always been under

the impression that its chief function is to deal with the reception and transmission of letters and messages; but I am beginning to think, after what I have heard during this debate, that one of its duties is to improve some of the cities that most need beautifying. The interest displayed on all sides with respect to this question leads me to believe that honorable members have in mind many prospective post-office clocks. This is a fitting occasion for the Minister to definitely state the Ministerial policy in regard to these matters. If we are to vote Government funds to one purpose, when they should be devoted to different purposes altogether, we shall deplete the revenue in a way previously unheard of. The Minister should clearly indicate that, in the opinion of the Government, it is not the duty of the Commonwealth to beautify buildings in the way suggested. Unless he does so, we shall have begging letters from almost every municipality in Australia, and the position of honorable members will be rendered much more difficult than it already is. I know of an instance in which the Department has definitely refused to acquire some rickety buildings in the neighbourhood of a post-office on the ground that to adopt such a course would be to go beyond its functions. If it is not to preserve the health of its own officers by the abolition of unhealthy buildings in the vicinity of its offices, surely it will exceed its functions if it builds towers to replace certain unsightly edifices such as the "pepper-box" at Launceston. This craze is obtaining on Parliament a stronger hold than it ought to have. The Postmaster-General must recognise the force of my argument, and I hope that the Minister in charge of these Estimates will see that it is necessary to do something, before it is too late, to check this spirit.

Mr. STORRER (Bass) [8.28].—After the discussion that has taken place, I do not intend to press my motion. I would point out that the situation in regard to the Launceston post-office is different from that of other buildings, since a tower has actually been erected. It was urged that a clock and chimes should be purchased and erected in the Town Hall tower, since that building belongs to the people of Launceston. I resisted that proposal, because I recognise that the post-office is also the property of the people.

Mr. GROOM.—Hear, hear! We are only trustees.

Mr. STORRER.—In the circumstances, I beg leave to withdraw the motion.

Motion, by leave, withdrawn.

Proposed vote agreed to.

POSTMASTER-GENERAL'S DEPARTMENT.

Division 5 (*Telegraphs and Telephones*), £237,722.

Mr. DUGALD THOMSON (North Sydney) [8.29].—With all humility, and—in view of some of the speeches to which we have listened this afternoon—with some trepidation, I rise to seek information with regard to the first subdivision of this division. I have heard this afternoon, for the first time in any Parliament, the statement that honorable members have not a right to fully criticise a request from the Crown for the grant of Supply. I do not indorse such a doctrine, and no Parliament should indorse it. We ought to reasonably exercise our right to criticise; we should never allow Departments, Ministers, or officers to indulge in the unregulated and uncriticised expenditure of the money of the country. On the first page on which this division appears, an increase of £41,000 is shown, and of that increase £13,000 relates to the Estimates for New South Wales, and the remaining £27,000 relates to the Estimates for Victoria. The total increase is a very big one. Whilst they may be quite justifiable, I should like to know from the Minister the reason for these increases.

Mr. AUSTIN CHAPMAN (Eden-Monaro—Postmaster-General) [8.32].—My regret is that these increases are not greater. Last year £16,000 was voted for the construction and extension of telephone lines, and the placing of wires underground, and £19,058 was spent. This year we ask for £27,500, a sum which, my officers tell me, is absolutely necessary for new works. A great deal of the money will be spent in constructing conduits to place the wires in Sydney underground, while the balance will be devoted to the construction and extension of telephone lines, or used in providing instruments and material. It must be gratifying to honorable members to know that we have been able to do so much in the way of increasing facilities for communication out of revenue.

Mr. JOSEPH COOK (Parramatta) [8.35].—I think it would be a good thing to apply a great part of the £27,500 provided for the construction and extension of telephones and the construction of conduits to the establishment of metallic circuits.

Although £9,000 was voted for that purpose last year, and £8,833 expended, only £5,500 is asked for this year. At the very least, £150,000 is required to provide metallic circuits throughout Australia, but the expense is a necessary one, because our telephone systems are steadily becoming worse, and will not improve until an independent return is arranged for. I urge the Postmaster-General to appropriate as much as he can of the votes for his Department for this very necessary work, because, until it is done, our telephones will not be as useful as they should be. When they have been improved, the business of the Department will be increased, and the public will get a great deal more satisfaction from the service.

Mr. HENRY WILLIS (Robertson) [8.38].—I agree with the honorable member for Parramatta that the telephone service requires improvement in the direction indicated. At present it is not even private. The other day, when waiting for a call, I heard a subscriber say, "Will you speak to So-and-So, Member of the House of Representatives," and if I had taken the trouble I could have heard the whole message. Therefore, I hope that, if it can be done, the Minister will divert some of the votes to extending the metallic circuit. At the present time our telephone system is most unsatisfactory, and is certainly not cheap. Some time ago I drew attention to the unsatisfactory service given by the bureaux telephones. Since then the bureaux system has been almost perfect. If one wishes to be connected with expedition during a busy time like Saturday morning, for example, one can always get communication through a bureau, and if a mistake is made, the Department will refund three penny stamps. I should like to know, however, why the charge for a conversation has not been reduced from 3d. to 1d.

Mr. AUSTIN CHAPMAN.—It will shortly be reduced.

Mr. HENRY WILLIS.—I shall be glad to learn of the reduction. I draw the honorable gentleman's attention to the fact that the condenser system is a failure, and ask him what he intends to do in regard to it. My own experience in two or three instances shows it to be wholly unsatisfactory, and the officers of the Department have confirmed my opinion. That being so, the Postmaster-General should inquire into the matter, and, if the system cannot be im-

proved, see that no more money is wasted on it.

Mr. BROWN (Canobolas) [8.42].—Within the last few years telephone communication has been rapidly extended in the country districts, and in my electorate, where not long ago there were very few telephones, there is now a complete network of lines. Not only have we the condenser system, but we have also town systems constructed by the Department, and private extensions carried out at the expense of the subscribers. Upon the inauguration of Federation, the Department was very conservative with regard to telephone extension, so that it was almost impossible to obtain its sanction for new works; but its views were revolutionized by the honorable member for Macquarie when Postmaster-General, and I am pleased to find that the honorable member for Eden-Monaro is following in his footsteps. I do not agree with the honorable member for Robertson that the condenser system is a failure. In my electorate it has, in many respects, worked admirably, supplying a long-felt want, and the people would be loth to forego the advantages which they get from it. There are defects, but these, I am told, are due partly to the vibrations caused by trains where the wires run parallel to a railway, or by the want of sufficient "cross-overs," which, I understand, could be supplied at very small cost. As the use of more "cross-overs" would greatly improve the efficiency of the service, it is a penny-wise-pound-foolish policy to economise in regard to them. It would be better to incur a slightly increased expenditure, in order to insure an efficient service, than to make a saving upon an imperfect service. I wish to refer to the subject-matter of the guarantees that are demanded from persons who require telephone extensions. The general understanding is that if the estimated revenue falls short of the estimated cost of working and maintaining a proposed line, a guarantee will be accepted from the local residents in respect of any deficiency that may result. Most of these estimates are based upon what I may call conservative lines. Generally speaking, the revenue is underestimated, and the expenditure is overestimated—that is to say, a liberal allowance is made for contingencies. In a great many instances the departmental estimates have proved entirely misleading, because from the very outset the business has shown

a profit, and the guarantors have not been called upon to make good any deficiency. For some time past I have been worrying the Department in connexion with an application for the extension of telephonic communication to a very promising settlement known as Yeoval, between Cumnock and Obley. I cannot understand why it is impossible to obtain a satisfactory decision from the Department. Yeoval is in the midst of a splendid agricultural area, which is being steadily developed. Nearly two years ago the residents communicated with me, and intimated that they desired to be brought into telephonic communication with Obley, Cumnock, and Molong. I obtained an estimate from the Department, but under the old conservative management such a large deposit was required that the construction of the line was out of the question. Later on, when the new and more liberal regulations were introduced, I obtained a further estimate, and the residents were prepared to enter into the necessary guarantee to make good any deficiency. To my great surprise, however, the Department refused to accept the guarantee, and stated that the line was one that the residents might construct for themselves. I should like to know upon what principle guarantees are accepted in some cases and declined in others? At first I thought it possible that the Department were not satisfied with those who were willing to join in giving the guarantee; but I found out afterwards that they were content if the guarantee were signed by substantial men, who would, in all likelihood, meet their obligations. There was not much fear of any default in the case in question. I would ask the Postmaster-General to look into this matter, and ascertain why the Department have refused to comply with the request. When I noticed that the amount of £16,000 voted last year for the construction and extension of telephone lines had been exceeded by £3,058. I thought that in all probability the officers of the Department were unwilling to trench to any greater extent upon the Treasurer's advance account, and, if that is the explanation of their action, I shall have nothing more to say. I hope that the proposed vote of £27,500 will prove sufficient to meet all requirements in connexion with such cases as I have mentioned.

MR. DUGALD THOMSON (North Sydney) [8.52].—I agree with the honorable member for Parramatta that if there is to

be any additional expenditure under the head of conduits and metallic circuits, the latter item should receive the greater amount of attention. In some parts of Sydney the telephone service is becoming almost unusable owing to the lack of a metallic circuit. The electric trams interfere very seriously with the conduct of business over the telephone lines, and I think that an increased expenditure might very well be incurred in rendering the means of communication available to the residents of Sydney more effective than at present. It is no doubt convenient that some of the telephone cables should be carried underground; but it is of the utmost importance that something should be done to make the telephone service more useful than at present in certain localities, and particularly where the transmission of telephone messages is interfered with by the electric tram service. I see that there is a considerable reduction in the amount proposed to be devoted to the establishment of metallic circuits, as compared with the sum spent upon similar works last year. I should like some explanation with regard to that matter, and also with regard to the portion of the metallic circuit system that is to be covered by the proposed expenditure.

MR. JOSEPH COOK (Parramatta) [8.55].—It occurs to me, upon looking at the Estimates, that there is no provision for any new work of the kind referred to by the honorable member for North Sydney. £27,500 is to be appropriated for the construction and extension of telephone lines, and only £5,500 towards the establishment of metallic circuits in connexion with the telephone system. The latter amount will not more than cover the new work provided for, and therefore the construction of return circuits will really be at a standstill. I consider that this matter should be regarded by the Postmaster-General as one of the greatest possible urgency, and that at least £100,000 of the surplus revenue of the Post and Telegraph Department might very well be devoted to this purpose alone. It would be far better to spend the money in this direction than to fritter it away in the manner proposed by the Treasurer. It seems to me that the Postmaster-General has presented to him an opportunity to convert the telephone system, and to give the people what they have never had in Australia, except perhaps in Brisbane, viz., a really

efficient telephone service. The telephone service must be made more private than at present, in order to induce the public to make full use of it. When you are endeavouring to send a message you can hear conversations relating to every one's business but your own. I hope that the Postmaster-General will endeavour to induce the Treasurer to make available more money than is now proposed to be devoted towards the establishment of metallic circuits, and that he will be able to do a great deal towards removing the cause of the present trouble.

Mr. LONSDALE (New England) [8.58].—A portion of the surplus revenue of the Post and Telegraph Department could not be better spent than in the direction suggested by the honorable member for Parramatta. I think that some of it might also be devoted to improving the telephone facilities available to residents in the country districts. It is proposed to throw away a considerable sum of money in the purchase of a trawler, and in establishing the penny postage system, and I am afraid that the position of the people in the country, who desire to share in the benefit of telephone communication, will in consequence be rendered more difficult than ever. Some honorable members have had very strange experiences in connexion with applications for the extension of telephone services. I have succeeded in obtaining what I have desired for my constituents only after a severe struggle. I think that telephone facilities should be provided at very much cheaper rates than at present. I understand that the Postmaster-General now has before him a new regulation, which will provide for a reduction of the charges now levied upon residents in the country districts who enjoy the benefits of telephonic communication, and I trust that it will be brought into force as soon as possible. Some of the charges which are made are simply enormous. A man who lived six miles outside a populous township, and desired to obtain telephonic communication with it, was asked by the Department to pay £15 a year for the maintenance of the line, and to guarantee that amount for seven years. It would have been much better if it had plainly intimated that it could not undertake the work. It would be in the interests of such persons if the new regulation to which I have referred were brought into operation at as early a date as possible.

A somewhat similar occurrence took place in another portion of my electorate. A man who lived twelve miles from a town desired to secure telephonic communication with that town, but the price which the Department demanded from him for the erection of the line was a prohibitive one. I saw me in reference to the matter, and suggested that he resided only three miles from a receiving office in which a telephone had been installed. I pointed out that in erecting his own line to connect with that office, he could secure communication with the town by transmitting his messages a distance of about twenty-five miles. The Postmaster-General has always prided himself upon the fact that he looks after the interests of rural districts. I desire him to act up to his professions. There can be no doubt that, under the telephone system as it exists in Sydney, a person can neglect "the other fellow's" business, but cannot get his own transacted. This, I understand, is due to the want of a metallic circuit. Yet only £5,500 has been provided upon the Estimates towards the cost, though £8,000 was spent in that direction last year. In my opinion, it would be much better to expend upon improving the Sydney telephone service the £8,000 which the Government propose to spend upon the purchase of a trawler to exploit the fishing grounds round the coast of Australia. I trust that the Postmaster-General will bring the new regulation to which I have referred into operation as soon as possible.

Mr. JOHNSON (Lang) [9.6].—I heartily sympathize with the desire of the honorable member for New England to obtain greater facilities in connexion with telephonic communication and a cheapening of the service. But, whilst I admit that the Postmaster-General has made very great strides in that direction, there yet remains a good deal to be done, particularly in the matter of securing an alteration of the existing regulations, whereby the charges levied in the metropolitan area may be extended to populous centres just outside the area. I have conducted lengthy correspondence with his Department in connexion with this question, but with very little prospect of success. I have received several communications from Progress Associations in my own district bearing upon the matter, and particularly one in which the townsfolk of Sutherland—which is only just outside

the metropolitan radius—is interested. I understand that the reason why the regulations have not been amended so as to make the metropolitan rates apply to populous centres just outside the metropolitan area is that Western Australia stands in the way.

Mr. AUSTIN CHAPMAN.—Western Australia is always causing trouble.

Mr. JOHNSON.—Western Australia is a stumbling block to the granting of necessary telephonic reforms in New South Wales. I have been urging an amendment of the regulations, with a view to extending the radius of the metropolitan area to populous centres immediately outside of it, but I have always been met with the objection that to bring about such a reform would involve a loss to the Department of £5,000 owing to the circumstances of Western Australia.

Sir JOHN FORREST.—I do not understand how that can be so.

Mr. JOHNSON.—It has never been explained to me. I am quite willing to believe that it is a libel on Western Australia. But, if so, the Treasurer should hold the Postmaster-General responsible for it, because his Department is the author of it.

Sir JOHN FORREST.—In Western Australia the zone in which the cheap rates operate extends only about two miles from the metropolis.

Mr. JOHNSON.—I ask the Postmaster-General to seriously consider the advisability of altering the regulations in this connexion, despite any small loss which may result. When I see him so cheerfully agreeing to sacrifice a revenue from another source of about £200,000 annually, I cannot help feeling that in this particular he is "straining at a gnat and swallowing a camel." One of his first considerations in telephone matters ought to be the convenience of the people, just as it is in postal matters generally. The telephone has become practically a necessity of modern times, and it is therefore necessary that something should be done in the direction of cheapening the cost of the service, and especially of extending facilities for telephonic communication to persons who are resident just outside the metropolitan area.

Mr. KELLY (Wentworth) [9.13].—I wish to ask the Postmaster-General a question in regard to the item "New South Wales portion of trunk telephone line between Sydney and Melbourne, £23,000." Last year the sum of £19,000 was voted for

this work, but the money was not expended. This year a sum of £23,000 is provided for the purpose. Can the Postmaster-General explain the reason for nothing having been done last year with the £19,000 voted.

Mr. AUSTIN CHAPMAN (Eden-Monaro — Postmaster-General) [9.14].—The £23,000 to which the honorable member refers is the New South Wales contribution to the construction of the proposed line. The increase has been brought about by the enhanced price of copper wire. Last year, when tenders were invited for the work, it was found that its cost would be very much in excess of the vote of which Parliament had approved. Consequently the undertaking was not proceeded with. This year every arrangement has been made for the carrying out of the work immediately the necessary funds for the purpose have been voted.

Mr. KELLY (Wentworth) [9.15].—I am rather disappointed with the explanation of the Postmaster-General. It now appears that the Commonwealth is about to enter upon a career as a speculator in copper. Last year certain sums were voted to enable this work to be undertaken, but, because the officers of the Department deemed that the price of copper was too high, it was not proceeded with. What guarantee is there that this year the price of copper will not be higher still? What qualifications does the Postal Department possess to justify it in speculating in copper?

Mr. AUSTIN CHAPMAN.—We did not have the money available.

Mr. KELLY.—The necessary amount could have been taken from the Treasurer's Advance Account. Sums amounting to as much as £40,000 have been taken from that account in connexion with a single item. Does my honorable friend recognise that probably the officers of his Department are not the proper judges of the copper market. I trust that reasons of this kind will not in future weigh with the Department.

Mr. AUSTIN CHAPMAN (Eden-Monaro — Postmaster-General) [9.16].—I should like to say that I quite agree with the representations made by the honorable member for North Sydney. On looking through the Estimates, I find that the amount provided this year in respect to metallic circuits is practically the same as that provided last year, although made up

in a different way. The sum of £1,450 for telephone cables has been provided for under item No. 2, which relates to the expenditure of a sum of £27,500. Another item of £1,450 for replacing cables will be charged to "Contingencies," instead of to the vote for metallic circuits. I agree with the honorable member that the telephone service is capable of great improvement. I shall bear in mind the representations he has made. I am just as anxious as he is that the telephone system shall be improved, and no doubt we shall be able, by means of the metallic circuit, to improve it to a greater extent than is possible in any other way. In answer to the honorable member for Canobolas, I may say that I shall endeavour to see if I cannot meet his request. He appears to have made out a good case. I was surprised to hear the statement of the honorable member for Robertson that the condenser system is an absolute failure. It is after all only a commercial makeshift. It means telephoning over telegraph lines, with many breaks and "cross-overs," and in the circumstances the means cannot be as satisfactory as is a line erected for telephonic purposes. If the honorable member will bring under my notice any case in which the condenser system has not worked satisfactorily, I shall be pleased to see whether improvements can be made. As the business under the condenser system increases, I shall be glad to put in extra wires wherever such a step may be deemed justifiable, for my desire is that the people shall have the very best telephonic service. I have made a note of the point raised by the honorable member for New England, and shall see whether his request can be met. It seems to be a very reasonable one. Some trouble has arisen with regard to the question of the metropolitan radius, to which reference has been made by the honorable member for Lang. The whole question is being reconsidered. Some time ago a certain radius was fixed for the city of Sydney, and the honorable member has been most persistent in his representation that some suburbs which have rapidly sprung up should be brought within that radius. The difficulty is that we cannot bring in one without bringing in the whole of them. Such a change would involve a very serious loss of revenue. There are also other questions—such as the establishment of new exchanges, which would necessitate a large expenditure—which must be considered in

Mr. Austin Chapman.

connexion with his proposal. Quite recently some alterations have been made in Western Australia, and also in Newcastle, and if it is possible to meet the wishes of the honorable member I shall be pleased to do so. We wish, if possible, to meet the requirements of those who settle at some distance from centres of population, and we shall try to give that which the honorable member asks. All these changes, however, cannot be made at a moment's notice. They necessarily involve a large expenditure.

Mr. LONSDALE (New England) [9.20].—Either shortly before or after the honorable gentleman assumed office as Postmaster-General, he was very anxious that experiments should be made with the automatic telephone system, and I understand that arrangements were entered into for giving it a trial. I wish to know whether that system is likely to be a success. Conscientious scruples against Sunday work have been raised by some of the telephone switch operators, and the trouble might be obviated by the use of automatic telephones, if they proved satisfactory.

Mr. AUSTIN CHAPMAN (Eden-Monaro — Postmaster-General) [9.21].—Very careful inquiries have been made with respect to the automatic telephone system, and we find that, although it has been a pronounced success in one city—I refer to the city of Grand Rapids, U.S.A.—it is being discarded in other countries where it has been tried. The officers of the Department, after careful inquiry, have come to the conclusion that what is known as the common battery system—a system which we have just installed in Hobart—is preferable. When some of the agents for the automatic system approached me, I said that I was prepared to allow them to instal it in one of the towns that are springing up, and require a telephone service, and that, if it proved successful, we should be prepared to deal with them. In view of the information I have obtained, however, I do not think that we should be justified in expending a large sum of money in installing the system in Sydney or Melbourne, more especially as, if unsuccessful, it would lead to the public being subjected to much inconvenience.

Mr. DUGALD THOMSON.—How is it that it is a success in Grand Rapids?

Mr. AUSTIN CHAPMAN.—Although it has proved successful there, in Germany and other countries where it has been tried it is gradually being discarded. In build-

ing new exchanges, those countries are showing a preference for the common battery system. We have not yet established the common battery system in Melbourne or Sydney, but we are preparing to instal it in sections, and I believe that it will be found a great improvement on the present arrangement.

Mr. REID (East Sydney) [9.25].—The Postmaster-General must be quite conscious of the fact that the Opposition have treated him very fairly in regard to the administration of his very important Department—a Department that must have caused him great anxiety. I wish to point out that the Postmaster-General in another Administration, of which I have still some recollection—I refer to the honorable member for Macquarie—set an excellent example to my honorable friend opposite—privately he is my friend, although politically he used a dagger on me—by furnishing, during the debate on the Budget, a summary of the operations of the Department, which, in the matter of its completeness and the record of good work in a great Department, has not been excelled by the information afforded by any Postmaster-General. The honorable member proved himself one of the most capable Postmasters-General that we have ever had. I repeat that he gave the Committee a very long and lucid account of the operations of the Department, and I would remind the Committee that, on this occasion, no such statement has been presented. I thought that in submitting these Estimates the Postmaster-General would have availed himself of the opportunity to give the Committee and the country some information—I do not ask for a long statement—in reference to the various projects connected with his Department.

Mr. BROWN.—But we are dealing only with the Estimates relating to new works.

Mr. REID.—I may not have another opportunity to refer to these matters; I may be in another place when the general Estimates are under consideration.

Mr. LONSDALE.—Where is the honorable member for Gwydir?

Mr. REID.—I find that the cry about members attending to their public duties in Melbourne is a most beautiful fiction. One can see scarcely an honorable member in the Chamber. The House has certainly not been crowded since I have been here, and I hope that when I am away honorable members will be more re-

gular in their attendance in the Chamber. To travel hundreds of miles in order to take part in the proceedings of the House, and then not to attend here, is certainly most ludicrous. As I happen to be present—it is, perhaps, a mere accident that I am—I desire the Postmaster-General, since he was not pressed for a statement during the Budget debate, to answer one or two questions with reference to the administration of his Department. In the first place, let me say that I am in favour of any expenditure under these, or any additional Estimates, to extend the conveniences of the Department throughout the length and breadth of Australia. I am prepared to vote any sum within reason to extend the benefits of the telegraph and telephonic system to the furthest corners of settlement in Australia. But I have no sympathy with the idea that the people in the pioneering districts demand penny postage. I do not suppose that they get a letter once in three months.

The CHAIRMAN.—I would remind the right honorable member that there is already on the business-paper a measure relating to penny postage, and that he will be able to deal with that question when that Bill is under consideration.

Mr. REID.—I wish to act in perfect obedience to your direction, Mr. Chairman, but I would ask you to consider whether your ruling would not prevent a fair discussion of matters of this kind in Committee of Supply. I think that by long usage the rights of the Committee of Supply are not interfered with in the way suggested. In the first place, we are not in the House, but in Committee, and, in the next place, the Bill in question may not be proceeded with. It would be possible, by placing on the business-paper a certain Bill, to deprive honorable members of their only opportunity—in Committee of Supply—to discuss matters of this kind. I suggest that the Committee knows nothing about matters which may be before the House, and that every honorable member has the fullest right to discuss any matter relevant to the vote under consideration. As this is a very important point, I shall not press for a ruling now, because it would be a pity to have it decided without full consideration, and as an old parliamentarian I advise you, sir, not to give an opinion from the Chair until you are absolutely compelled to do so. I wish to know from the Postmaster-General whether

he has yet abandoned his extraordinary project of charging for the telephone service by the number of calls answered?

Mr. AUSTIN CHAPMAN.—I have certainly not abandoned it.

Mr. REID.—Does the Department propose to keep count of all the calls made in great cities like Sydney and Melbourne?

Mr. AUSTIN CHAPMAN.—The right honorable member is the first to object to it.

Mr. REID.—I am surprised that that is so; but it is time that some one objected to it.

Mr. AUSTIN CHAPMAN. — The principle has not been objected to, but we have been asked to give a larger number of free calls.

Mr. DUGALD THOMSON.—Many persons object to the principle, but ask, if it is to be adopted, that the number of free calls allowed may be increased.

Mr. REID.—My impression is that the system has been strongly objected to, and that it has been said, "If you insist upon it, at least make your terms more reasonable, by increasing the number of calls allowed for a subscription." Speaking as one who is not an expert, it occurs to me that the labour of recording the calls will be enormous.

Mr. AUSTIN CHAPMAN.—The record will be kept automatically.

Mr. REID.—No doubt the recorders will be something like the gas meters, which charge for twice as much gas as is used.

Mr. AUSTIN CHAPMAN.—Would the right honorable member think it reasonable for a gas company to charge a fixed subscription to each customer?

Mr. REID.—That is scarcely a fair illustration. I am disappointed that the project has not been abandoned. My impression is that the telephones already yield a good return upon their cost.

Mr. DUGALD THOMSON. — The Department does not seem to know whether that is so or not.

Mr. REID.—A Department which does not know that will not be able to keep an accurate record of the calls of its thousands of subscribers at all hours of the day and night. With regard to the proposed expenditure in extending the metallic circuits, the honorable member for Parramatta, who was Postmaster-General in an Administration of which I had the honour to be the head, convinced us that this work was absolutely necessary, and we spent thousands of pounds in carrying it out, and

in providing tunnels to enable wires to be placed underground.

Mr. JOSEPH COOK.—We only made a beginning. A sum of £150,000 is required to give metallic circuits throughout the Commonwealth.

Mr. REID.—I should like to know what is now being done in this matter.

Mr. AUSTIN CHAPMAN. — The work is being carried on as rapidly as possible.

Mr. REID.—But only half as much was provided for this year as was spent last year.

Mr. AUSTIN CHAPMAN.—Certain charges made against the vote last year will not be made against it this year.

Mr. REID.—What is the "purchase system" referred to?

Mr. AUSTIN CHAPMAN.—An old system under which subscribers purchased their instruments.

Mr. REID.—Is the proposed telephonic connection between Sydney and Melbourne likely to prove remunerative?

Mr. AUSTIN CHAPMAN.—It is estimated that there will be a return of 6 per cent on the outlay.

Mr. REID.—It will be a great public convenience. Has the probable effect upon the telegraph revenue been considered?

Mr. AUSTIN CHAPMAN. — Yes, and a small allowance made.

Mr. REID.—Then I should like to know why, although £30,000 was voted for this work last year, not a penny was spent upon it, notwithstanding that it was referred to as a national undertaking of great urgency. It is a national calamity that the Postmaster-General was permitted to visit the City of the Seven Hills, because of meeting there distinguished representatives of countries absolutely dissimilar from those he was carried away by the glamour of his surroundings in an assembly which was adorned, and entered into a project which will inflict a cruel injustice on at least the people of the smaller States. At the same time, he has left undone a great national work, which would return a fine rate of interest on the expenditure, and also provide a sinking fund. Parliament votes money with the intention that the works for which it is asked shall be put in hand.

Mr. AUSTIN CHAPMAN (Edmond Monaro—Postmaster-General) [9.42]. — I have already explained that tenders were invited last year for the copper wire necessary for the telephone line between Sydney

ney and Melbourne, and, as it was found that the cost would greatly exceed the amount voted, no tender was accepted, but new tenders were asked for, in anticipation of a second parliamentary vote, and an extra £7,000 has been placed on the Estimates for the undertaking. I do not know why the right honorable member suggested a sinking fund, seeing that the work is to be paid for out of revenue. With regard to the toll system, I shall be very pleased to let the right honorable gentleman see a list of the objections made to it by Chambers of Commerce and other parties. If he reads it, he will see that the principle was not objected to, although it was said that a sufficient number of free calls would not be given. The right honorable gentleman made a very unhappy comparison when he referred to the gas meters. Under the present flat rate system there are subscribers in Sydney and Melbourne who cost the Department more for operators, without taking into consideration the interest and wear and tear on their instruments and connexions, than they actually pay.

Mr. FRAZER.—Then why does not the Department put the toll system into force?

Mr. AUSTIN CHAPMAN.—I ask honorable members to give me time. I believe that the original project can be liberalized, and I hope to be able to give a greater number of free calls. If I were permitted to do so, I could very easily reply to the statements of the right honorable gentleman with reference to the penny postage system.

The CHAIRMAN.—I cannot allow the Minister to discuss that question. He may make a general statement, but must not go into details.

Mr. AUSTIN CHAPMAN.—The right honorable gentleman was allowed to go into details, and if I am not to be permitted to follow his example, I shall have to postpone my reply until I move the second reading of the Postage Rates Bill, which I hope to be able to do, when we have disposed of some of the business at present before us. The right honorable gentleman made one observation, which, although it was apparently uttered in the most jovial spirit, cannot be permitted to pass without my flat contradiction. The right honorable gentleman referred to me as his friend, but not his political friend, because I had used a dagger upon him. A remark of that kind, although it may be made in a jovial spirit, looks very bad in cold type.

Mr. REID.—Did not the Minister sharpen up his dagger in the Botanical Gardens at Brisbane?

Mr. AUSTIN CHAPMAN.—The right honorable member has made a number of statements to which a flat denial could be given.

The CHAIRMAN.—I am afraid that I cannot permit this discussion to continue. I regarded the statement of the right honorable member for East Sydney as in the nature of a joke. If, however, the Postmaster-General feels aggrieved, I cannot in fairness to him, deny him an opportunity to make an explanation.

Mr. AUSTIN CHAPMAN.—I have no desire to enter into details. I merely wish to show that if the right honorable gentleman took fright and committed political suicide, it was no part of my duty to go up with him in the explosion. For political purposes, he frequently makes statements such as he has uttered to-night with regard to me, and I would point out that he would be acting much more fairly if he made a clear and plain announcement with regard to my conduct, or that of any other honorable member of whom he thinks he has cause to complain. If he has anything to say with regard to me, I shall be quite prepared to make a clear reply. What right has he to say that I used a dagger upon him?

Mr. REID.—I felt the dagger; that is all I can say.

Mr. AUSTIN CHAPMAN.—The right honorable gentleman makes statements of that kind because he knows very well that when they are put into cold type they can be used with some effect for electioneering purposes. I am not the only member whom he has accused of using a dagger upon him.

Mr. REID.—I made the Minister stab me openly upon the front of the stage, instead of behind the scenes, that is all.

Mr. AUSTIN CHAPMAN.—I should feel disposed to say much more upon this matter, but I know that it would not help me in passing the Estimates. I shall have to avail myself of another opportunity to refer to it. The right honorable gentleman has uttered many statements which I have not considered worthy of replies, because they have been made in a jovial way. In connexion with his last charge, however, I publicly invite him to lay bare any trans actions that I have had with him, or any conduct of which he thinks he has a right to complain. If he thinks that I have

driven a dagger into him, let him give his version of the circumstances, and I shall meet his charges in the most open and frank manner.

Mr. REID.—I must reply to the Minister's statement. I cannot permit that to go into cold type without some comment.

Mr. AUSTIN CHAPMAN.—So far as the right honorable gentleman is concerned, "the least said the soonest mended." I have no desire to rake up any unpleasantness, but I decline to allow the right honorable member to make such charges as he has done without offering some reply. He ought not to say one thing in this House and another outside of it. I do not know whether the right honorable gentleman desires me to make any further explanation?

Mr. REID.—The Minister will not give me any satisfaction.

Mr. AUSTIN CHAPMAN.—I regret that the right honorable gentleman should have made such a charge against me. I have no desire to quarrel with him, but if he is anxious to give battle, I shall be quite ready for him.

Mr. REID (East Sydney) [9.50].—I cannot allow the statement of the Minister to pass without a brief reply. When I used the term "dagger," I meant that I had every reason to believe that, by an elaborate course of manipulation, and by conferences with my direct political opponents, preparations were made for the political downfall of the Government of which I was the head. The whole transaction was of a secret nature, and did not arise out of any great question of public policy. It was of the character I have already described more than once. I admit that the Minister has never been a supporter of mine, although I have always acknowledged the ability and devotion displayed by him in putting the Labour Party out of office. I have never refused to recognise in the most generous way his unwearied efforts to shift that party from office. I take no exception to that, but what I do complain of is that the same unwearied efforts were devoted to the task of shifting me from office. The Minister carried out his work, not by making soul-stirring appeals in this House, but by indulging in a series of beautiful manipulations, which were very effective, and in connexion with which there was very little noise. But the Postmaster-General is a political baby compared with the Treasurer, in the art of inflicting destruction upon Governments of which he is not a

member. If we had had those two Ministers in our Government, we should have been there to-day, and for ten years to come. The only mistake I made was that I did not take them in with me. When I next form a Ministry I shall try hard to include them—that is, if I can do so without due regard for political decency. But I am not one who remembers these things. After all, one is not injured personally by being relieved from the strain of office. The only two men that I know of in public life who never seem tired of office are my two honorable friends. The Postmaster-General is only a political baby compared to the monarch of the West. There is an earthquake at once if the latter is not in office. If I could only make sure that the use of the dagger would end their political existence as well as mine, there would be no need for adopting any special precaution to keep the weapon in its sheath.

Sir JOHN FORREST.—I gave the right honorable gentleman a good twelve months support.

Mr. REID.—That was because the right honorable gentleman did not see his way to eject me from office. He was like the shark that saw a piece of pork out of the water. He did not bite at it until he got it within his reach, and then he went for it. The right honorable gentleman relishes a diet that is not half so appetising as pork. Even dust is to him an agreeable and stimulating food, if what he has said is to be believed. This affectation of innocence on the part of the Postmaster-General is altogether too much. One would imagine, from his assumed virtuous indignation, that he was not in the political transaction to which I have referred from the earliest stage. He went off to Western Australia to make special arrangements with the Treasurer, and I believe that some portfolios were offered even before the Governor-General's speech was delivered.

Sir JOHN FORREST.—Oh, no.

Mr. REID.—I believe so. However, I will leave that matter for the present. I ask my old friend the Postmaster-General, who has been my political enemy for so many years, whatever else he may try to do, not to endeavour to look innocent.

Mr. DUGALD THOMSON (North Sydney) [9.56].—The only item under which the discussion to which we have recently listened could properly come is that of the construction of conduits, and the placing of wires underground. I do not intend to

follow the Postmaster-General, and the right honorable member for East Sydney into the by-ways they have trod. I think the Postmaster-General was slightly mistaken when he said that the Chambers of Commerce were not opposed to the adoption of the toll system of telephone charges. I know that they made representations, and passed resolutions against the adoption of that system. The Postmaster-General probably alludes to the fact that they contended that, if the toll system were adopted, the proposed number of calls allowed for a fixed charge would not be anything like sufficient. They urged that the telephones would not be really useful to even comparatively small users unless an alteration was made in that direction. They pointed out that if the proposed scale of charges were adopted a number of persons would have to give up their instruments because they could not afford to pay the heavy tariff. I hope that before any proposal for the adoption of the toll system is brought before us, the Postmaster-General will be able to indicate the extent to which the present telephone service is paying. We should have a balance-sheet presented to us before we are asked to make any change in our present system of charges. The Minister desires to adopt the system that has been followed by private companies, which, as he has stated, are making excessive profits, owing to their high charges. If the State cannot adopt a more advanced system there will be no advantage in its retaining control of the telephone services. When a proper balance-sheet is presented to us, we may see the necessity of introducing a change, in order that undue advantage may not be obtained by the largest users of the telephones. Moreover, it may be possible to suggest some scheme which would be preferable to the very troublesome toll system. The Postmaster-General has seen the toll system in operation in other countries, and he must recognise that a great many troubles arise in connexion with it.

Mr. AUSTIN CHAPMAN.—All the experts in the world are in favour of it.

Mr. DUGALD THOMSON.—That is because they almost invariably represent private companies, who make very heavy charges, and derive large profits from their services. There is one advantage in the present system, which applies to both large and small users, but which cannot attach to the toll system. The question is

not continually arising as to who is responsible for the imperfections of the telephone service. Cases are constantly occurring in which calls have to be repeated, not owing to any fault on the part of the user of the telephone, but because of the defects of the system. Then the loss on one line may be made good by the other business that line brings. The very fact that a grocer's shop or a draper's establishment is connected with the exchange induces scores and hundreds of persons to have a telephone, who do not use it extensively, and would not otherwise have it. I say that the necessity for instituting a thorough inquiry into this question has been shown. That inquiry should set out not only the effects which may flow from the adoption of the toll system, but also the loss or profit which results from the present system.

Mr. AUSTIN CHAPMAN.—It will be optional with subscribers whether they use the toll system.

Mr. DUGALD THOMSON.—The Postmaster-General has not yet proposed anything in connexion with that system. I say that the question is not to be disposed of by the bald assertion that most of the experts of the world approve of the toll system, and that most of the telephone companies adopt it.

Mr. AUSTIN CHAPMAN.—I was referring to Government telephones throughout the world.

Mr. DUGALD THOMSON.—In what countries?

Mr. AUSTIN CHAPMAN.—I say that all those countries which have tried the flat rate system have introduced the toll system. Take the case of London as an example.

Mr. DUGALD THOMSON.—I do not know that the flat rate system was ever in operation in London, and I am not aware that Norway and Sweden, which confer upon their people greater telephonic conveniences than does any other country in the world, have adopted the toll system. The introduction of that system will not be an easy matter.

Mr. AUSTIN CHAPMAN.—A protest is sure to be made against any proposal which affects the big users of the telephone.

Mr. DUGALD THOMSON.—I am speaking of the small users, and the Postmaster-General had no right to make that interjection. It may happen that some subscribers do not pay to the Department.

a remunerative price for the use of the instrument; but the Postmaster-General must know that in a private house, where the telephone is only rarely used, a certain number of calls are made to which no response is received.

Mr. AUSTIN CHAPMAN.—We propose to make those calls effective under the toll system.

Mr. DUGALD THOMSON.—Then, why not make them effective now? In my opinion, they will never be effective until the metallic circuit has been universally adopted. If subscribers are to be charged for calls which are not replied to, the life of any Postmaster-General will not be a happy one. I quite agree that if the large users of the telephone are getting a greater service than is commensurate with their subscriptions, they ought to be compelled to contribute an extra rate. But I am not satisfied that the toll system—fair as it may be in many respects—is the best that can be adopted. I should like to know from the Postmaster-General whether any provision has been made upon these Estimates for the introduction of the Marconi system of wireless telegraphy?

Mr. AUSTIN CHAPMAN.—The sum of £10,000 is provided for that purpose upon page 259 of the Estimates.

Mr. DUGALD THOMSON.—I think the Minister should make some statement as to the intentions of the Government in that connexion.

Mr. HENRY WILLIS (Robertson) [10.9].—It is only fair to the Postmaster-General that I should cite an instance in which the condenser system has failed. In the town of Wellington, in New South Wales, I may inform him it is a complete failure. I may also add that in country towns, situated a great distance from Sydney, where the condenser system is in operation, the Morse system of telegraphy has been injuriously affected. In view of my statement, I think that the Postmaster-General should call for a report from the officers of the Department upon this matter.

Mr. AUSTIN CHAPMAN.—I will.

Mr. HENRY WILLIS.—The honorable member for North Sydney has referred to the question of the proposed introduction of the toll system. Personally, I am of opinion that the large merchants who use the telephone should pay more for the ser-

vice which they receive, and that small users should pay less.

Mr. LONSDALE.—Is the honorable member a small user?

Mr. HENRY WILLIS.—Yes. I pay £9 a year for my service. What I complain of is that, whilst many private individuals pay as much as I do, numerous business establishments do not pay any more, although they use the telephone all day long. If the Postmaster-General can make out a strong case in favour of the toll system I think that he should be supported. At any rate, the existing telephonic system is not satisfactory. There is a good deal of force in the statement of the honorable member for Parramatta that the proposed vote could be better spent in making our telephone system more effective. If that were done, a large sum might be saved in the expense of working it. I can only speak of my own personal experience in connexion with this matter. I may tell honorable members that I frequently waste an hour at the telephone, and go away unsatisfied. If I lived closer to the General Post Office I would not be bothered with the instrument at all. For years I endeavoured to do without it, because I knew what a nuisance it was. I hold that it is the duty of the Postmaster-General to endeavour to provide us with a more satisfactory system.

Mr. JOHNSON (Lang) [10.13].—Now that the Treasurer is present, I desire to refer to a statement which was made by the Postmaster-General a few minutes ago. I understood him to say that he was anxious to give effect to some of the improvements which have been suggested by honorable members, but that the Treasurer was the "lion in the path." We all know that the right honorable member for Swan has very large ideas regarding expenditure when it affects Western Australia, but when it becomes a question of incurring expenditure in New South Wales there is a sudden tightening of the Commonwealth purse strings.

Sir JOHN FORREST.—No.

Mr. JOHNSON.—That is the case if we are to accept the statement of the Postmaster-General.

Sir JOHN FORREST.—What did he say?

Mr. JOHNSON.—He said that he would be very happy to carry out some of the improvements suggested if he could only induce the Treasurer to loosen the

purse strings. I wish the right honorable gentleman would display to New South Wales a little of the liberality which characterizes his actions in regard to expenditure in Western Australia.

Sir JOHN FORREST.—Does Western Australia enjoy any advantage in connexion with these Estimates?

Mr. JOHNSON.—In proportion to her population she has a very decided advantage. So far, we have not dealt with the proposed items of expenditure in Western Australia, and it is questionable whether we ought not to oppose some of those items unless the Treasurer consents to treat the other States a little more liberally.

Sir JOHN FORREST.—I shall be delighted.

Mr. JOHNSON.—The Treasurer assures us that he will be delighted, so now, apparently, there is no difficulty with him. The Postmaster-General and the Treasurer should confer and decide whether a little more liberality cannot be displayed by them in making provision for these necessary conveniences for the people residing in the outlying parts of New South Wales. I also hope that the Postmaster-General will be prepared to so extend the metropolitan radius as to include within it populous districts which are at present a short distance beyond it.

Sir JOHN QUICK (Bendigo) [10.16].—I desire to bring under the attention of the Postmaster-General some representations that have already been made to him by the City Council, the Stock Exchange, and the Chamber of Commerce of Bendigo, respecting the inadequate and defective telephonic service existing between that city and Melbourne, and also between Bendigo, Eaglehawk and suburbs. For upwards of twelve months, these complaints have been pressed upon him by myself, as well as by the representative bodies I have mentioned. The honorable gentleman has received them sympathetically; he has expressed his desire to attend to and, if possible, remove them, but although many reports on the subject have been received, these grievances have not been removed. The Stock Exchange, as well as the numerous traders carrying on business in Bendigo, which is a great centre of commerce, have been greatly inconvenienced by the fact that there is only one trunk line to Melbourne. During business hours, when communications are running at high pressure, there is a complete block of business. At the very time of day when

the Department should be able to earn a considerable income by transmitting telephonic communications, and giving the people the accommodation they require, a block occurs, with the result that those who wish to communicate with Melbourne often leave the office without patronizing the service. It is all very well to say that these communications should be spread over the whole day. That is impossible. If the Department desires to extend and popularize the service, it must provide adequate means of communication. When the people find that the means provided are defective, they do not patronize the Department, and revenue is consequently lost. There are already two main trunk lines between Melbourne and Ballarat, and I believe that there are three between Melbourne and Geelong, whereas there is only one between Melbourne and Bendigo. Bendigo is quite as important a centre of population as is either Ballarat or Geelong. Owing to this lack of accommodation and want of speedy communication, the number of subscribers to the Bendigo Telephone Exchange has been declining. The subscribers to the Ballarat Exchange now number 433, that at Geelong has 387 subscribers, whilst that at Bendigo has but 244. Formerly it had a larger number of subscribers than had the Ballarat Exchange, but owing to the defectiveness of the service, the number has been reduced. There are other districts where the Department, instead of popularizing the telephone system, has provided an inadequate service, with the result that it must lose subscribers and revenue. The refusal to duplicate the trunk line between Bendigo and Melbourne is a penny wise and a pound foolish policy. I would urge the Minister to grapple with this question. It has gone beyond the reporting stage; there is nothing more reportable. If the honorable member wishes to increase the business of the Bendigo Exchange, he must duplicate the trunk line, and must also improve the installation of the local telephone lines. He must make the communication swifter and more complete than it is at present. I am also told that defective instruments are in use. Recently Mr. John Hesketh, the Commonwealth electrical engineer, was sent by the Minister to Bendigo to inquire into the condition of the lines and instruments in use there. He reported that the great bulk of the instruments were obsolete, that Berthon-Ader telephones

were in use, whereas the best instruments were those known as the Ericsson telephones. The bulk of the subscribers complain that the Berthon-Ader instruments are out of date, and cannot do the work that is expected of them. The time has arrived when many of these instruments ought to be thrown on the scrap-heap. It would pay the Department to treat them in that way rather than to have an obsolete plant, earning only a small revenue. If the honorable gentleman wishes this service to earn the revenue that might well be expected of it, he must see that there is a proper supply of up-to-date instruments, and that the whole service is modernized. I fail to see why Bendigo and other inland towns should not be supplied with as good an installation and with as up-to-date instruments as are supplied in Melbourne or Sydney. The inland towns are just as much entitled to an up-to-date service as are those cities; but I believe that there is a tendency to send the best instruments to the metropolitan centres, leaving the country districts with an unsatisfactory service. For years the complaint of Bendigo and other inland towns has been that the service is inadequate, and unless their requirements are fully considered the Department will lose revenue. I once more publicly urge the Minister to deal with this question. He ought to take the matter into his own hands; it is useless to refer it to officers for further report. He should place on the Estimates a sum sufficient to provide for proper instruments, for increased trunk lines, and a general improvement of the service. I thoroughly agree with the views expressed this evening by representatives of New South Wales with regard to similar complaints on the part of residents of that State. The time has arrived when this service ought to be placed on a proper basis. It is useless to tinker any longer with it. It must be dealt with boldly, comprehensively, and in a scientific manner. I agree with the contention that it would be well, as far as possible, to establish the metallic circuit system. I hope that the representations of honorable members from New South Wales, as well as the complaints that have been made by my own constituents, will receive attention. My desire is that the Minister will not say that "this matter will be inquired into," but that "this matter will be attended to and the grievances rectified."

Sir John Quick.

Mr. AUSTIN CHAPMAN (Eden-Monaro — Postmaster-General) [10.27]. — I think that the honorable and learned member for Bendigo has some ground for complaint. I have given this matter special attention, and I hope to be able to remedy some of the grievances to which he has referred. It is extremely difficult to at once meet all these complaints, and especially to replace the Berthon-Ader instruments to which reference has been made. The honorable and learned member is mistaken if he thinks that their use is confined to Bendigo; they are scattered all over the Commonwealth. But it is extremely difficult, not only because of financial considerations, but because the Ericsson instruments may not be available when we require them, to carry out the demand that the instruments now in use shall be at once discarded. The honorable and learned member for Bendigo knows that I have endeavoured to give special attention to the complaints of his constituents, and that I hope to be able to remedy, in the very near future, some of the grievances which he has voiced. I shall be glad to inform him of the steps that have been taken, and to receive any further suggestions he may desire to make. He has pressed me on several occasions to deal with this matter, and I shall be glad, as far as possible, to remedy any grievances relating not only to the telephone system in force at Bendigo, but to those in operation elsewhere.

Mr. DAVID THOMSON (Capricornia) [10.30]. — I hope that after these Estimates have been passed a considerable sum will be available for the extension of the condenser system in country districts. Some time ago, I asked the Department to connect Westwood, Whvcarbah, and Stanwell, well settled farming districts in my electorate, with Rockhampton; but, so far I have not yet heard that anything is to be done in the matter. I believe that the Progress Association of Whvcarbah has written to the Minister, making a request similar to that which I have already pressed upon him. No doubt the honorable gentleman is always pleasant and affable to meet, and declares himself sympathetic; but what I want is practical relief. It seems to me that he depends too much upon the reports of his officials, who live for the most part in the cities, and, not knowing the conditions of country life, are unsympathetic in regard to requests for improved facilities

of communication. I hope that the honorable gentleman will urge upon his officials the desirability of treating applications more generously than they have done in the past. It would not cost a great deal to connect the railway stations in the district to which I have referred with Rockhampton by means of the condenser system, whereas the connexion would be of great advantage to the farmers who do business with that town. It is more necessary to them to have telephone communication than to obtain a reduction of the postage rate to a penny. The Progress Association has asked me what I have done in this matter.

Mr. AUSTIN CHAPMAN.—The honorable gentleman has done a great deal in the way of worrying me to grant what the association wants.

Mr. DAVID THOMSON.—Yes; but I have not yet been able to get the honorable gentleman to do anything. I trust that he will now see that something is done.

Mr. AUSTIN CHAPMAN (Eden-Monaro—Postmaster-General) [10.33].—I shall be very pleased to look into the case which the honorable member has brought under my notice. He has been most persistent in his applications to me for telephone connexion, coming to see me as often as possible. I have made a note of the places to which he has referred, and hope to be able to give him satisfaction.

Sir LANGDON BONYTHON (Barker) [10.34].—Last year I represented to the Postmaster-General in this Chamber the desirableness of improving the post and telegraph offices at Mount Barker. I then explained that the offices were erected forty years ago, and, while, no doubt, quite adequate for the requirements of that period, have become out of date. I suggested immediate action, and I thought that the wishes of the residents were to be satisfied. So, indeed, did they, because an officer visited Mount Barker, inspected the premises, and promised certain alterations, including the provision of private letter-boxes by February last. However, nothing has been done. The case is put very fairly in the following paragraph, which I have taken from a leading article in the Mount Barker *Courier*.—

Recently post-offices in places of no greater importance than Mount Barker have been remodelled and brought up-to-date; but in no case could the need for improvements have been more urgent than here, where all that is necessary to meet the wishes of the residents and the just demands of the case could be done by the

expenditure of very little money. What is wanted is a more adequate and convenient means of delivering the mails, private letter boxes of the orthodox kind, and a local telephone exchange on the toll system. The claims of the case should be patent to the authorities, who have gone so far as to make inspections and give certain promises, and when the matter of reform is commenced it is to be hoped it will be in no piecemeal fashion, but with a determination to bring the post-office thoroughly up-to-date. The department will be conserving its own interests by immediate action.

I trust that the Minister will give the matter his immediate consideration, and, as far as possible, meet the wishes of the residents.

Mr. AUSTIN CHAPMAN.—I shall be very pleased to give attention to the matter.

Mr. REID (East Sydney) [10.37].—I was sorry to hear some remarks a short time ago from an honorable member who seemed to begrudge the liberality of the Treasurer towards Western Australia. In my opinion, that State has not been treated properly, and, if anything, the present Treasurer has been slightly less generous to it than any of his predecessors. No doubt its distance has often led to the neglect of its just demands; but, as one who represents an electoral division nearer the centre of government, I shall always be prepared to deal most liberally with its claims.

Mr. FRAZER (Kalgoorlie) [10.38].—I believe that it is a departmental regulation that telephone extensions are not to be constructed unless there is a reasonable expectation of the return of a considerable percentage on the necessary outlay, and, while I do not advocate the construction of extensions without due consideration, I think that the conditions which have been imposed in many cases have not been satisfactory. Except under very extraordinary and special circumstances, I am altogether opposed to the policy of asking a State to guarantee any part of a Commonwealth undertaking. Though in the Black Range case such a guarantee was asked for, I hope that that policy will not be continued to any extent by the Postmaster-General or his successors.

Mr. MCWILLIAMS (Franklin) [10.39].—I have, on previous occasions, complained of the hard-and-fast rules of the Department. In my district a telephone connexion was asked for, which was estimated by an official to cost £142. The district in question happened to be immediately beyond the radius within which

the charge was £3 per annum. The residents in the district referred to—Port Cygnet—offered to guarantee fourteen subscriptions of £3 per annum, or a total of £42; and yet the regulations of the Department were such as to preclude the construction of the line. I contend that regulations which prevent the carrying out of works which would return from 33 to 40 per cent. per annum profit represented by cash in advance, and at the same time confer some benefit upon the community, are absolutely absurd. The Minister has met me most kindly in this matter, but he has apparently been powerless. Ever since the Federation was established, the regulations have been of a cast-iron character, and have prevented applications being dealt with upon their merits. It should be one of the chief objects of the administration to afford facilities to settlers in the back blocks, by, as far as possible, extending to them the benefits of telephonic communication. I believe that the Post and Telegraph Department requires to be thoroughly overhauled. I do not speak so much of the Ministerial as of the official head of the Department. We have established a system of routine and centralization which necessitates the transaction of all business of importance in the central office in Melbourne. It is absurd that matters affecting localities in Northern Queensland or in the remoter parts of Western Australia should have to be referred to the head office before anything can be done. We must decentralize our administration before we can achieve satisfactory results. I believe that the Deputy Postmasters-General are thoroughly competent men—if they are not they should be—and we shall never effect an improvement until we give them a certain amount of discretion, and enable them to carry out works which will not involve the Department in any loss. It is time that we dispensed with hard-and-fast regulations, and conducted our business upon common-sense lines. The Postmaster-General has always treated me most courteously, and I know that the fault does not lie with him so much as with the system, under which it is impossible to deal with individual cases on their merits.

Mr. STORRER (Bass) [10.48].—I trust that the money which it is now proposed to vote will be spent during the current financial year. I notice that, although we voted £8,000 last year for Tasmania in this connexion, only £2,000 was spent.

Mr. AUSTIN CHAPMAN.—The greater of the vote would have been spent if tenders could have been closed in time.

Mr. STORRER.—I can bear out the remarks of the honorable member for Franklin as to the obstacles which are placed in the way of telephonic extensions. Some time ago the departmental officer estimated that the cost of constructing a certain phone line would be £250, but it was afterwards ascertained that the work could be carried out for £100. If all the departmental estimates are prepared in the same way, it is not to be wondered at that difficulties should be presented. In one case a gentleman who resided about a mile out of a certain town, applied to have the phone line extended to his house, and was informed that the annual cost would amount to £15 per annum. These are the sort of difficulties which prevent people from enjoying the full benefits which would otherwise be afforded by our telephone system. I do not know whether it is the fault of the central authority in Victoria or in Tasmania, but I do know that if a business man controlled the Department he would send experienced officers round to advise interested subscribers upon the spot, and the result would unquestionably be a material increase in the amount of revenue derived. I trust that some such officer will be appointed to visit each State in the Commonwealth.

Mr. WILKS (Dalley) [10.51].—I mean to desire to emphasize the fact that the honorable member for Franklin has placed his finger upon a very weak spot in our postal administration—I refer to the evil of centralization. I believe that the Postmaster-General has more work cast upon him than has any of his colleagues. A good deal of that work is due to the system of centralization which has been adopted, and which is opposed to the efficient management of the service. Seeing that we have appointed in the different States high-salaried officers in the persons of the Deputy Postmasters-General, it seems ridiculous that they should be required to refer the decision of the most trivial matters to the central office in Melbourne. If these officers cannot be invested with a certain amount of discretionary power, they ought not to be retained in the service. In my humble judgment, whilst this system of centralization is permitted to continue, the true interests of

Department must suffer. The proposed vote in respect of wireless telegraphy is one upon which honorable members should be afforded some information. I have in my mind a speech which was delivered by the Postmaster-General at the installation of the Marconi system at Queenscliff—a speech in which he pointed out the great advantages which it would confer upon the sea-travelling public. I maintain that, if the sum of £10,000 is intended to provide for the erection of suitable wireless telegraphic stations around the coast of Australia, it is altogether inadequate for the purpose. If, on the other hand, it is merely designed to cover the cost of the existing stations at Queenscliff and Devonport, the amount is too large. My own knowledge of the Marconi system leads me to say that it is a very expensive one to instal upon vessels. Certainly, the ordinary ships trading around our coast could not afford to be fitted with it. Upon the large Atlantic liners I am aware that the system is installed, but honorable members must recollect that they cater for a class of very wealthy passengers, who can afford to transmit Marconigrams whilst voyaging between Liverpool and New York. That condition, however, does not apply to the ships which trade along the coast of Australia. I would further point out that neither the captain nor the officers of most vessels could successfully employ the Marconi system. It requires a very expert telegraphist to handle the machines, and he needs to be possessed of mechanical knowledge in case they should get out of order. These objections constitute a sufficient answer to the speech of the Postmaster-General at Queenscliff. If he can remove those objections, I shall be glad to see the people of Australia enjoying as up-to-date communication, by means of wireless telegraphy, as is enjoyed by any other portion of the world.

Mr. AUSTIN CHAPMAN (Eden-Monaro—Postmaster-General) [10.58].—I admit that the sum of £10,000 would not be sufficient to instal any complete system of wireless telegraphy along the coast of Australia. That system is an innovation in this country. But it has passed the experimental stage, and is already being used with very great advantage in other parts of the world. The Government have placed this sum upon the Estimates, because—whilst we recognise that it is necessary to proceed with extreme caution—we cannot doubt the

wisdom of introducing the wireless system into Australia, not only for commercial purposes, but with a view to protecting the lives of persons who “go down to the sea in ships.”

Mr. WILKS.—Does the Postmaster-General think that the ships which trade around the Australian coast can afford to be armed with the necessary wireless telegraphic instruments?

Mr. AUSTIN CHAPMAN.—It appears to me that we may expect the greatest benefit to accrue from the installation of the Marconi system to the vessels which trade along our coast. As far as I can gather from the Estimates which have been placed before me, it will not be a very expensive proceeding to equip those ships with the necessary apparatus when once wireless telegraphy stations have been established. I trust that in the near future every passenger ship will be fitted with a wireless installation. I dare say that when the benefits of wireless telegraphy become better known, and people realize its usefulness, not only for business purposes and as a general convenience, but also in times of danger at sea, the Government will insist on passenger ships carrying the installation just as they are compelled now to carry life-saving appliances. However, the arrangements are at present only in the initial stage; and a number of suggestions have been made as to the places at which there should be installations, and as to the cost which may be incurred. I should be pleased to give honorable members further particulars on the latter point; but I have come to the conclusion that in regard to the adoption of any system there should be open competition. It is an advantage that we have complete control over our shores, and thus complete control over shipping.

Mr. HENRY WILLIS.—What will be done with the £10,000?

Mr. AUSTIN CHAPMAN.—The money will be expended where we consider it wise to do so in order to provide some of the benefits and conveniences of wireless telegraphy.

Mr. MCWILLIAMS.—What is the present arrangement by the Government with regard to the Tasmanian cable?

Mr. AUSTIN CHAPMAN.—The Government have given a guarantee to the Eastern Extension Company, and that guarantee does not expire for three years. While

we should be glad to have wireless telegraphic communication with Tasmania, we must be careful not to come into competition with ourselves during the term of the guarantee. There are places, however, where there is no telegraphic communication of any kind, and suggestions have been made for resorting to wireless telegraphy in such cases. One suggestion is that there should be communication with New Guinea, and there is another suggestion that there should be a power station in New Zealand, and another on the mainland here, connected with Tasmania, King Island, and other places. We must proceed very cautiously, however, in order to ascertain, first of all, which is the best system. In the meantime, we cannot ask for definite estimates, considering that presently the rival companies may come into competition.

Mr. WILKS.—What is the £10,000 for? Is it to purchase the stations at Queenscliff and in Tasmania?

Mr. AUSTIN CHAPMAN.—The Government have no idea of buying those stations, which were erected simply to enable the Marconi Company to demonstrate, as they did, what can be done by wireless telegraphy. Another company is prepared to offer their services; and I have invited the representatives to instal communication between Tasmania and Sydney, so that we may be enabled to judge as to the value of their system. There is the Marconi system and the International system; and now we have been informed that there is what is known as the Lodge-Muirhead system, which has been very successful in India.

Mr. WILKS.—What is to be done with the £10,000?

Mr. AUSTIN CHAPMAN.—We shall spend it, I hope.

Mr. REID.—Where?

Mr. AUSTIN CHAPMAN.—We hope to expend it in connecting places in Australia, though no definite decision has been arrived at.

Mr. McWILLIAMS.—Why not open communication with King Island?

Mr. AUSTIN CHAPMAN.—The money will probably be spent in connexion with some places I have already mentioned. So far as expenditure is concerned, no preference will be given to any company or person, but open competition will be invited, and there will be every opportunity for honorable members to express an opinion as to the system to be adopted.

Mr. HENRY WILLIS (Robert) [11.5].—Judging from the remarks of Minister, I should say that the proposal to vote this money is premature. £10,000 seems to be for the one and purpose of opening up communication with King Island.

Sir JOHN FORREST.—New Guinea,

Mr. HENRY WILLIS.—That will not appear so from the information that have been given. There is already communication with Tasmania, and yet it is intended to establish a wireless telegraphy station so as to touch King Island. Until vessels have this installation, there is no necessity to vote this money. The large ocean steamers may find sufficient station on the voyage to warrant their installing the plant, and when that has been done there will be time enough for us to move the matter. If this money is intended to encourage to some people or companies who are experimenting, we ought to remember that they have come out to Australia for business, and ought to take risks. On the occasion of the recent visit to Queenscliff, I heard some rather fine speeches on the advantage of the system from the gentlemen who entertained us, but all he said only went to show that our installation would be of no use until the ships are fitted with the necessary appliances. King Island is a most important place, which certainly does warrant this expenditure, and I hope the Minister, after consideration, will decide to strike out the item. The Minister himself has informed us that there are now three or four systems, and that the Government are not satisfied that the Marconi system is the best. My own opinion is that the northern part of Australia, where there are very dangerous waters, would present the best opening for wireless telegraphy. There vessels are likely to meet with disaster, and the system would be of importance in the case of the approach of an enemy.

Mr. CAMERON (Wilmot) [11.9].—Honorable members appear to have overlooked one fact, which has rather an important bearing upon this vote. Tasmania at the present time is not connected with the mainland by cable, but we all know that cables, owing to the action of the waves, and the presence of rocks, are liable to chafe and part. Some years ago the cable between King Island Head and Tasmania was cut by rocks, and some months elapsed before communication

could be restored. The Marconi system at the present moment is installed between Queenscliff and Devonport. The expenditure in connexion with it is not considerable. It seems to me that it is better that it should remain as it is, even if it is not used, because no man can tell at what moment the cable may be cut. Even supposing the installation of the Marconi system between Tasmania and the mainland cost £1,000 or £1,500, the interest on that expenditure is comparatively small; and I am quite sure that even the cable company would be pleased to have a system in operation which would enable communication with Tasmania to be restored immediately, in the event of the cable communication being temporarily impaired. The proposal of the Postmaster-General is, under the circumstances, extremely reasonable. Had it been to erect an expensive system at once, I do not know that, with my views on economy, I should have supported it; but, seeing that the system has been erected, it would be suicidal, for the sake of £1,000 or £1,500, to block the policy of the Postmaster-General.

Mr. WILKS (Dalley) [11.12].—Apparently the honorable member for Wilmot has not looked at the Estimates. The money involved is £10,000. The honorable member tells us that, owing to stress of weather, the cable system between Tasmania and the mainland is liable to become deranged. The Postmaster-General, however, has not told us how the money is to be spent. I like to see Australia keep up-to-date in all matters, but, in my view, if wireless telegraphy is to be installed on anything like a useful scale, the expenditure proposed is insufficient. If it is desirable that we should have it at all, we should have the system right round our coasts. Certainly, £10,000 would not suffice for that. The remarks of the Postmaster-General regarding shipwrecked sailors were attractive from a sentimental point of view, but they really had no value, because all that is at present proposed is, as I understand it, a system of wireless telegraphy between Australia and Tasmania. On the occasion of the installation at Queenscliff, it is remarkable that the Governor-General's message and the Postmaster-General's message got through all right; whereas the most angelic message sent by the Prime Minister never got through while we were there. It must, somehow, have got wafted up to the spirit regions.

It was so beautifully worded that even the Marconi system broke down under it. That is a fact which the Treasurer cannot deny. His own message never got through, either.

Mr. REID.—It was that beautiful line of poetry—

By the long wash of Australasian seas,
which upset the apparatus.

Mr. WILKS. — The message of the Prime Minister was even more angelic than that of the Treasurer, and we have had no explanation as to why the Marconi machine broke down under it. It is all humbug to talk as though what is proposed is for the benefit of Australia generally. It is nothing of the kind. £10,000 will not nearly supply the coast of Australia with wireless telegraphy apparatus. What is more, wireless telegraphy can never be of much use to us unless the coasting vessels are compelled, under the Navigation Bill, to instal the system.

Sir JOHN FORREST.—Block all progress!

Mr. WILKS.—It is all very well for the poetical Treasurer to be anxious about this matter. But he is not now travelling up the Mediterranean with dukes and duchesses and other frequenters of St. James's Palace. It is not such people as those who will have to pay for wireless telegraphy in Australia. The hard working people of this country cannot afford to indulge in luxuries in quite so extravagant a fashion as can those with whom the Treasurer leads us to believe that he is in the habit of associating. I cannot see much utility in the proposed expenditure under present circumstances. Even if, as I have mentioned, the system were installed on all our coastal vessels, I am told on good authority that the officers of the ships cannot work the machines, and that highly trained telegraphists are required to manage them.

Mr. STORRER (Bass) [11.16].—I am rather surprised at the opposition to this proposal, especially after the vote for the trawler this afternoon.

Mr. REID.—Do not say that; only one member of the Opposition has opposed it.

Mr. STORRER.—I am surprised, inasmuch as it is obvious that wireless telegraphy is in the interests of the whole Commonwealth. It is particularly in the interests of those communities which at present are living under circumstances that deprive them of frequent communication with the mainland. Take the case of the people of King Island. The Commonwealth is at present spending something like £20,000

per annum on Papua, where there are something like 600 white people and a good many blacks. On King Island there is a community of 600 whites, who have very little communication with the mainland, or with Tasmania. A steamer calls once about every three weeks, when she is not prevented from doing so by stress of weather. The people on Flinders Island, and on other islands in Bass Straits, are similarly badly situated. I have known shipwrecks to occur of which no news has been received until three or four weeks after the occurrence in consequence of bad weather in the Straits. It is not fair for the Commonwealth to treat these people in the way I have indicated. If the Flinders Island group were not in my own electorate I should advocate their cause more strongly than I do. King Island is not in my electorate, and I repeat that, having regard to the consideration shown to other parts of the Commonwealth, it is not fairly treated. I have been endeavouring to secure a grant of a few pounds per annum to provide steam communication between these islands and Tasmania, and I certainly think that we ought to be connected with them by wireless telegraphy. Honorable members are perhaps unaware of the extent of the shipping passing through the Straits between Victoria and Tasmania, and of the large number of wrecks which have occurred in the neighbourhood of these islands. If by means of wireless telegraphy we could establish speedy communication between the islands and the mainland many lives might be saved.

Mr. McWILLIAMS (Franklin) [11.21].—This is a very important item, concerning which the fullest information should be supplied, but I am quite prepared to accept the statement of Ministers that they do not intend to expend the whole amount at the present time. If experiments are to be conducted, by all means let them be carried out where they will be of practical use. Instead of erecting stations solely for experimental purposes, we should establish them where they will be of practical use. The honorable member for Dalley has referred rather slightly to King Island, but in no part of the Commonwealth do people suffer greater inconvenience and receive less attention than do the residents of that important island. As the honorable member for Bass has said, there are practically as many white people on King Island as there are in Papua, where

we are spending a large sum of money getting little for it. If there is one thing of the community which will be especially deserving of our consideration, these experiments are being conducted in that of King Island, which is now practically shut off from the rest of Australia. We have an opportunity to conduct experiments in wireless telegraphy which may be of practical use to the whole of Australia, and which will certainly confer an absolute blessing on people who are deprived of many of the advantages of civilization.

Proposed vote agreed to.

DEPARTMENT OF THE TREASURY.

Division 6 (*Government Printing Office*)
£1,500.

Mr. REID (East Sydney) [11.24].—I wish to say, Mr. Chairman, that I intended to speak on the division with which we have just dealt, but that just as I was about to put the question I was inveigled into a private conversation with the Government Whip, and so lost opportunity.

Mr. HUTCHISON (Hindmarsh) [11.25].—The hour is rather late to enter upon the consideration of an item relating to a Department which involves a vast expenditure, respecting which much information is necessary. The proposed vote relates to machinery and plant for the Government Printing Office, and works in connexion therewith. This is a very expensive and unsatisfactory Department, and I hold that it is high time that we had a Commonwealth Government Printing Office. It is estimated that the Department will cost us about £13,000 during the current financial year. Notwithstanding the enormous sum which we are for our printing, the bound copies of *Hansard* and the parliamentary papers last session did not reach us until a few days before the opening of the present session.

Mr. JOHNSON.—And we did not obtain until quite recently bound copies of the measures passed last session.

Mr. HUTCHISON.—That is so. Surely the Parliamentary papers can be bound and sent out more expeditiously than they are at present. I know a little about the printing trade, and have been looking into the cost of some of the items relating to this Department. If we are supplying our own machinery we are certainly paying an enormous price for our printing. I w

to know whether the machinery which we have provided is used solely for Commonwealth purposes? In the interests of the taxpayer, it is necessary that we should inquire into these items, and I trust that the Treasurer, to whose Department this matter relates, will be able to furnish an answer to my question.

Sir JOHN FORREST (Swan—Treasurer) [11.28].—The honorable member for Hindmarsh is aware that the Victorian Government Printer attends to the printing requirements of the Commonwealth. The resources of the State Printing Office are placed at our disposal, and the Commonwealth plant is used for State purposes. If it is found convenient to use the Commonwealth printing plant for State purposes, or to use the State plant for Commonwealth purposes, that course is followed. I believe, notwithstanding what has been said by some honorable members, that the arrangement is an economical one, and that it would cost us far more to conduct a separate printing office of our own.

Mr. HUTCHISON.—I do not think so, and I speak as a practical printer, who has looked into this question.

Sir JOHN FORREST.—I know that the honorable member and some of the party he belongs to consider that it would be better for the Commonwealth to establish a great printing office of its own, but I think that we are under a great obligation to the Government of Victoria, who have placed at our disposal the services of the State printer, as well as their plant and buildings.

Mr. REID.—Do we not contribute anything to the expenses of the State Printing Office? We ought to do so.

Sir JOHN FORREST.—We pay for the time actually devoted to Commonwealth work by State officers. Although I am anxious that every economy should be practised, still, I think that when we do establish a Commonwealth Printing Office, we shall find that our expenditure on printing will be much greater than it is under the present arrangement.

Mr. HUTCHISON (Hindmarsh) [11.31].—I cannot say that the Treasurer's reply is satisfactory to me. I have been a practical printer all my life, and have had experience in every branch of the trade. I have also had some experience in regard to the working of the Government Printing

Office in South Australia. I can assure honorable members that it is conducted upon anything but an economical scale, and that there is room for radical alteration there. I do not allege, however, that that is the case in regard to the Government Printing Office in Victoria. I know that in adding plant to that office—

Sir JOHN FORREST.—It will belong to the Commonwealth.

Mr. HUTCHISON.—Exactly; but, in the course of a few years, it will be quite useless.

Sir JOHN FORREST.—We use their plant, too.

Mr. HUTCHISON.—The plants in the Printing office are depreciating very rapidly. The Treasurer will find that if he makes a 20 per cent. reduction in the value every year, he is not making too large an allowance.

Mr. McWILLIAMS.—Surely the honorable member does not expect the Victorian Government to supply the Commonwealth with a plant for nothing!

Mr. HUTCHISON.—No; and the Commonwealth pays for all its printing. If we did not have any plant in that office, our printing could be done for much less in an office of our own. We really do not know what our printing costs. I do not know whether we are paying a high figure or not, but I am aware that the bound volumes of parliamentary papers and *Hansard* are not produced as expeditiously as they should be. I only received my volumes of *Hansard* a few days before the beginning of this session, and some honorable members had not received their copies even at that time. I am quite satisfied with the manner in which *Hansard* is produced during the session. The expenditure is increasing so rapidly, that we ought to be careful in regard to every item. If it were not proposed to increase the expenditure by £10,000 for one purpose, £50,000 for another, and £25,000 for, say, deporting kanakas, I should have no objection to this small item. It is high time, I think, that honorable members took more interest in the Estimates for works and buildings, in order to see that unnecessary expenditure is not incurred. The country is entitled to the information for which I have asked. I shall have more to say on the subject when we are dealing with the Estimates in chief.

Mr. REID (East Sydney) [11.34]. — I suppose that the plant which it is proposed

to purchase will be useful for the Commonwealth.

Sir JOHN FORREST.—Yes; it is all earmarked, and belongs to us.

Mr. REID.—I hope that it will be some time before we establish a Federal Printing Office. Printing establishments involve an expenditure of thousands and thousands of pounds, and I think that by a judicious arrangement with the States, which have splendid printing offices, we can get our work done at a much more reasonable amount than we could in a printing office of our own. I agree with the remarks of the Treasurer.

Proposed vote agreed to.

DEPARTMENT OF DEFENCE.

Division 7 (*Special Defence Material*), £130,000.

Mr. DAVID THOMSON (Capricornia) [11.35].—I am very pleased to see the Minister representing the Minister of Defence in his place, because I wish to elicit whether tenders for saddlery have been called for in the open market, or whether a price has been fixed by the Department? There are striking peculiarities in connexion with the contracts which were let in the different States last year. According to the figures which have been published in the *Gazette*, we have in Australia, not only a shipping combine, but also a harness combine. All the tenderers for the supply of harness in the different States fixed upon the same prices to a penny. In the case of the Field Artillery equipment in New South Wales, the contractors were Messrs. J. J. Weekes Limited, whose prices were as follow:—

Harness, Breast, Pole Draught,		per set.		
R.A. pattern		£	s.	d.
36 sets wheel, near	...	10	9	6
36 sets wheel, off...	...	10	8	6
36 sets centre, near	...	9	15	6
36 sets centre, off	...	9	4	6
36 sets lead, near	...	9	15	6
36 sets lead, off	...	9	4	6
76 sets universal saddlery	...	6	18	6

The contractors for the supply of harness to the Field Artillery of Victoria were Messrs. Guthridge and Company, who charged the same prices to a penny as did the New South Wales contractor. In Queensland, South Australia, and Western Australia, Messrs. Holden and Frost got the contract, and they charged the same prices to a penny, as did the other contractors.

Mr. REID.—There must have been collusion between them.

Mr. DAVID THOMSON.—In Tasmania it is the same. In Western Australia, when some extra sets were required, Messrs. J. Colton and Company got the contract.

Mr. REID.—At the same price?

Mr. DAVID THOMSON.—Yes. With regard to medical equipment, I find that the prices at which Messrs. J. J. Weekes Limited tendered for the New South Wales supplies were—

Harness, collar, G.S., for ambulance and transport waggons—		per set.		
		£	s.	d.
4 sets wheel, near	...	17	8	6
4 sets wheel, off	...	13	15	0
4 sets lead, near	...	17	0	6
4 sets lead, off	...	13	4	0
3 single sets for one-horse vehicle	...	12	8	0
25 sets universal saddlery	...	6	18	6

Messrs. Hunter and Company have the contract for Victoria, and their prices vary only in regard to the near wheel sets, in which there is a difference of 11s. 3d. Matthew Hemsworth had the contract for Queensland, and his prices were identical with those which I have given, as were also those of Messrs. Holden and Frost for South Australia.

Sir JOHN FORREST.—What is the point? No doubt the lowest tenders were accepted.

Mr. DAVID THOMSON.—The surprising thing is that the prices are identical in each State. It seems to me that the Department is being taken down by some arrangement between the tenderers. Some time ago I was in correspondence with Messrs. Mountcastle and Sons, whose contract was cancelled in July.

Mr. HUTCHISON.—On what ground?

Mr. DAVID THOMSON.—Because the Department thinks that each State should manufacture its own requirements. I believe in that. I do not think that goods required in Queensland should be made in South Australia, or that goods required in South Australia should be made in New South Wales. If harness or leather work is needed in New South Wales, it should be made there. Under the present system of calling for tenders in all the States there seems to be collusion as to prices, under which the Department suffers. I find that Messrs. Holden and Frost get the biggest share in the business.

Mr. HUTCHISON.—They are the best makers of harness in the Commonwealth. That was proved in the Boer war.

Mr. DAVID THOMSON.—There are harnessmakers in Rockhampton who hold

certificates as to the excellent workmanship of the saddlery which they made for the Boer war. Those certificates prove that their work was done to the satisfaction of the Department, but not that it was better than that of any one else. The Department should see that it is not taken down by combines.

Mr. EWING.—I am not prepared to give the honorable member any information with regard to this matter to-night, but I shall be able to furnish him with an answer to-morrow.

Mr. DAVID THOMSON.—I ask the Minister to promise that in future the requirements of the States shall, as far as possible, be made within their own borders. Each State should do its own work, and, moreover, each centre of population should have an opportunity to tender for local work. For instance, tenders should be called in places like Rockhampton and Townsville, instead of merely in Brisbane, because the people of the central and northern parts of Queensland do not take the Brisbane newspapers, and may therefore be ignorant of the fact that tenders are being called. I do not think that this system would result in the Department having to pay more for its articles, because in most country towns they can manufacture nearly as cheaply as in the larger centres. I have been told that the halters and pickets used by the Defence Department are not manufactured in Australia. If that is so, I do not know the reason, because the ropes themselves can be easily made, whereas the pickets are merely pegs shod with metal. These articles could be manufactured in Australia, because they are composed mainly of rope.

Mr. HUME COOK.—They are made by the thousand in Brunswick.

Mr. DAVID THOMSON.—All I know is that they are being introduced into the various States, and that no opportunity is given to the local manufacturers to show that they can produce them.

Mr. REID.—Is the honorable member quoting from some official publication as to prices—is he satisfied that the prices are correctly quoted?

Mr. DAVID THOMSON.—Yes. I am quoting from the *Commonwealth Gazette*. I hope that the Minister will look into this matter, and see that the work is distributed over the various centres in something like an equitable manner.

Mr. REID (East Sydney) [11.51].—At an earlier stage of the evening, I certainly expressed my willingness to remain here until the whole of the Estimates relating to new works and buildings were disposed of. Of course, I cannot go back upon that arrangement, but I must say that I did not calculate upon our having, at this hour of the night, to consider a division involving a proposed vote of £130,000 for military supplies. However, if the Government think it necessary, I am prepared to go on. I regret that very few honorable members seem to take an interest in proposals involving such a very large expenditure; although I must admit that we have a larger attendance now than at almost any previous stage of the sitting—we have nearly a quorum. I think that the honorable member for Capricornia has rendered a distinct service in calling attention to the matters to which he has alluded. I understand that the figures quoted by him are taken from the *Commonwealth Government Gazette*, and I cannot understand why the Treasurer fails to realize the seriousness of the case to which attention has been directed.

Sir JOHN FORREST.—I said that the prices quoted were those of the lowest tenderer.

Mr. REID.—Yes; but when tenders are called in six different States, and the tender accepted in each case is for exactly the same amount, much sagacity is not required to arrive at an understanding of the situation. The honorable member for Capricornia has mentioned the names of several firms. If, after all, they are one and the same firm, it is as well that the Government should know it. When tenders of the same amount are received from a number of different firms, the Department may consider that the price fixed is a reasonable one, but if the same firm tenders under a number of different names, a deception is practised on the Department.

Sir LANGDON BONYTHON.—They are distinct firms, but they are working in unison.

Mr. REID.—That is an operation into which we can all agree to look very carefully. If one firm is enjoying a monopoly in connexion with the supply of certain articles, we shall all feel indebted to the honorable member for Capricornia for having directed attention to the matter.

Sir JOHN FORREST.—We shall look into it all right.

Mr. REID.—I quite agree with the honorable member for Capricornia that, given anything like equal prices, local tenderers should have preference.

Mr. AUSTIN CHAPMAN.—The preference is always given to local tenderers if the prices are the same.

Mr. REID.—I should think it would be so. But I understand, from what the honorable member for Capricornia has said, that that rule was not observed in the case to which he has referred.

Sir LANGDON BONYTHON.—Tenders were sent in by a number of different firms, but in some cases they worked in unison.

Mr. REID.—Passing from that matter, I desire to point out that a marvellous want of calculation is displayed in connexion with the item "Accoutrements, saddle-trees, stirrups, and bits." We expect the Estimates to be framed with some regard to the necessities of the case. I find that last year we voted £42,750, but that the actual expenditure amounted to only £4,859. I notice further that we voted £22,500 for "making saddles." Therefore, we appropriated a sum of £65,000 for these two items of a similar character. No doubt it was assumed by honorable members that the public service required the expenditure of something like that amount upon these supplies, but we find—

Mr. EWING.—The right honorable member must remember that these were really his Estimates.

Mr. REID.—That only shows that the Government starved the votes in order that they might spend the money in other directions.

Mr. EWING.—If the right honorable gentleman will look at the Estimates, he will find that, instead of spending the money upon accoutrements we bought rifles. We could buy saddles at any time, but we could not procure rifles with the same readiness.

Mr. REID.—Does the Minister mean to say that, if we vote £42,000 for saddle-trees, stirrups, and bits, the Government can spend the money upon rifles?

Mr. EWING.—We informed the House, and obtained their approval.

Mr. REID.—We are being introduced into a really marvellous field of amusement. The Government solemnly ask honorable members to vote a certain sum for stirrups and bits, and afterwards tell them that they are going to spend the money upon rifles. Honorable members, after

having seen the items in the Estimates for two years, are told that the money is to be spent, not upon bits, but upon rifles. All that I can say is that we are learning a lot in connexion with the way in which the public funds are disbursed. Surely, in view of the fact that the Government intended to use the money for an entirely different purpose, they might have amended the Appropriation Act.

Mr. EWING.—We used money out of the Treasurer's Advance Account for the purchase of rifles, and saved a similar amount upon the vote for accoutrements.

Mr. REID.—Apparently we never know under which thimble the pea is to be found. The Minister's explanation makes the matter still more amusing. I hope that in the future the Estimates will be more reliable, and will convey more information to the public, because, if the practice pursued in the past is persisted in, we shall never have a proper system of accounts. I know that the Vice-President of the Executive Council, who takes a personal interest in the Defence Department—although he never visits it—will see that these matters are attended to. I suppose that we may take it that we have his personal assurance upon that matter.

Mr. EWING.—Certainly. The right honorable member has my assurance.

Mr. REID.—In view of that assurance, I will defer some other remarks which I had intended to make.

Mr. HUTCHISON (Hindmarsh) [12.1].—As it is the intention of the Government to put through the works and buildings Estimates to-night, I merely wish to say that wherever the expenditure of a large sum is involved, it should be very closely scrutinized, especially in view of the great change of opinion which is coming over the minds of many in regard to our defences. We are all anxious to place the Commonwealth upon a proper footing, so far as its defence is concerned, but the question which arises is whether it would not be wise to expend upon our naval forces some of the large sums of money which are now being expended upon our land forces. Upon these Estimates a large amount is set down for the purchase of Lee-Enfield rifles. Most honorable members must have noticed in the press the other day the statement that the rifles which the Commonwealth has been purchasing are not satisfactory. Personally I have no desire to sanction the expenditure of a large sum

for the purchase of defective rifles. We know very well that such weapons have been sent out to Australia in very large quantities. When the opportunity presents itself of discussing the Estimates of the Defence Department, I shall have something more to say upon this question.

Mr. WILKS (Dalley) [12.3].—I notice that the sum of £21,000 is provided upon these Estimates for the purchase of small arms ammunition, and a further sum of £15,000 for the purchase of artillery ammunition for our fixed defences. Is it not high time that the Government established its own ammunition factory in Australia, especially in view of the fact that the large stores of ammunition which are now in hand are yearly depreciating? As a matter of fact, the authorities have occasionally to issue instructions to our forces to fire off some of this ammunition, which has become useless. Only some twelve months ago, at Goat Island, in Sydney, certain members of our Defence Forces were amusing themselves, to the great annoyance of the public, by firing off useless ammunition for a period of five weeks. I had to get the medical authorities to interpose, in order to prevent the residents of the vicinity from becoming invalided. If we established our own ammunition factory, we should not be called upon to waste money in that way.

Mr. JOHNSON.—Does not the use of the ammunition which is at present being manufactured burst the guns?

Mr. WILKS.—I am aware that the Estimates of the Defence Department lend themselves peculiarly to a display of jocularity, but I can assure the honorable member for Lang that there is no more serious matter to be faced than the urgent necessity which exists for establishing an ammunition factory within the Commonwealth.

Mr. BROWN (Canobolas) [12.7].—The Defence Department is undoubtedly the great spending Department. It is so liberal in its expenditure that it is very necessary for us to keep a close watch upon the demands which it makes upon the Commonwealth. There are some very heavy items of expenditure included in these Estimates, but, as the leader of the Opposition is prepared to assist the Government to pass them, it is idle for me to offer any further protest.

Mr. REID.—I merely spoke for myself, and for any honorable member who chose to act upon my advice, but I never dreamed

that we should be discussing these Estimates at this hour of the morning. Personally, I think that there ought to be an adjournment of the debate.

Mr. BROWN.—There are important items in these Estimates which ought to receive fair discussion. At this late hour, however, it is quite impossible to expect intelligent discussion of them.

Mr. ISAACS.—Upon the Estimates-in-chief the honorable member will have a full opportunity of discussing the defence policy of the Government.

Mr. BROWN.—But I shall not have an opportunity to debate this particular vote. I support the view entertained by the honorable member for Hindmarsh that greater consideration should be given to our naval defence than has hitherto been extended to it. Possibly some reduction might be made upon these Estimates which would enable that to be done. I notice that it is proposed to spend a sum of £70,000 odd upon the purchase of ammunition and rifles. I should like to know when the Commonwealth is going to manufacture small arms for itself? That matter was discussed at the outset of the Federation, and we were assured that the Commonwealth would move in that direction. But to-day we occupy precisely the position which we occupied then. These are matters which should be discussed, and upon the Estimates-in-chief I shall avail myself of the opportunity of debating the Government policy in this connexion.

Mr. REID (East Sydney) [12.9].—I should like an explanation of the item "Field artillery, guns, harness, waggons, and ammunition, £53,040." Last year we voted £58,000 for the purchase of these things, but only £10,000 of it was spent. The result is that although during the past two years we shall appear to have voted £111,000 in the direction indicated, we shall in reality have only spent £63,000. All these figures are most misleading. I do not know whether the Vice-President of the Executive Council has any definite information to impart to the Committee, although I recognise that he has plenty of assurance. Can the honorable gentleman give any explanation how it is that the Inspector-General of Fortifications spent only £10,000 out of a sum of £58,000 voted for field artillery?

Mr. FWING.—The information I have is that, first of all, there was some delay

in ordering the guns in question, and then they were not delivered.

Mr. REID.—What guns are they?

Mr. EWING.—They include 18-pounder quick-firing guns, with waggons, limbers, and so forth.

Proposed vote agreed to.

Resolved—

That there be granted to His Majesty to the service of the year 1906-7, for the purposes of additions, new works, buildings, &c., a sum not exceeding £479,724.

Resolution reported.

APPROPRIATION (WORKS AND BUILDINGS) BILL.

Motion (by Mr. ISAACS) proposed—

That the Standing Orders be suspended in order to enable all steps to be taken to pass the Appropriation (Works and Buildings) Bill through all its stages without delay.

Mr. REID (East Sydney) [12.15].—I recognise the wisdom of granting the Government these supplies at the earliest possible moment, but I hope this will not be taken as a precedent, because it is serious to allow appropriations to go through on the suspension of the Standing Orders. However, these public works are of great urgency, and I think we may safely depart from the usual procedure.

Question resolved in the affirmative.

Resolution of Committee of Supply adopted.

In Committee of Ways and Means:

Motion (by Sir JOHN FORREST) agreed to—

That towards making good the Supply granted to His Majesty for additions, new works, buildings, &c., for the year 1906-7, a sum not exceeding £479,724 be granted out of the Consolidated Revenue Fund.

Resolution reported and adopted.

Ordered.—That Sir John Forrest and Mr. Isaacs do prepare and bring in a Bill to carry out the foregoing resolutions.

Bill presented by Sir JOHN FORREST and read a first time.

Motion (by Sir JOHN FORREST) proposed—

That the Bill be now read a second time.

Mr. WILKS (Dalley) [12.16].—I do not wish to oppose the second reading of the Bill; but before we consent to the appropriation of £479,000, we ought to have some information as to whether the Government intend at an early stage to erect an ammunition factory, in order to supply many of the items here mentioned. In the interests of the country, it is about time

we had such a factory. I should not have risen but for the fact that the Vice-President of the Executive Council omitted to reply to my question when we were in Committee.

Mr. EWING (Richmond—Vice-President of the Executive Council) [12.17].—In the immediate future, I shall make a statement and prove that either it is a wise or an unwise proceeding for the Government to undertake the establishment of an ammunition factory.

Question resolved in the affirmative.

Bill read a second time and passed through its remaining stages.

ADJOURNMENT.

Motion (by Mr. ISAACS) proposed—

That the House do now adjourn.

Sir LANGDON BONYTHON (Barker) [12.19].—I should like to know when the Tariff proposals of the Government in regard to agricultural implements will be submitted to the House?

Mr. ISAACS.—Probably next week.

Question resolved in the affirmative.

House adjourned at 12.20 a.m. (Thursday).

Senate.

Thursday, 23 August, 1906.

The PRESIDENT took the chair at 3.30 p.m., and read prayers.

PETITION.

Senator PULSFORD presented a petition from the Council of the New South Wales Alliance, praying the Senate to pass the Canteen Bill.

Petition received and read.

COMMERCE ACT: REGULATIONS.

Senator MACFARLANE.—I desire to ask the Minister of Defence, without notice, if he will set aside an hour or so of Government time for the discussion of the regulations under the Commerce Act? I may mention that, owing to the condition of the notice-paper, it will be almost impossible for the motions of Senator Mulcahy and myself to be reached before the regulations have acquired the force of law. I ask for this concession as the motions really deal with public business.

Senator PLAYFORD.—I prefer that the time allotted to Government business should not be taken up with the consideration of private business. Possibly that honorable senator may be able to arrange with those who have private business on the notice-paper to allow him precedence for his motion.

Senator MACFARLANE.—I shall try to do so.

Senator PLAYFORD.—If, however, that cannot be accomplished, I promise the honorable senator to give him time on some evening, say from 9 to 11 o'clock, for the discussion of the matter.

Senator KEATING.—The regulations cannot come into force if a notice against them has been given in either House.

Senator PLAYFORD.—Yes; but the honorable senator wishes to make his objections known.

Senator Lt.-Col. GOULD. — The motion has to be dealt with within fifteen sitting days.

Senator MILLEN.—Parliament may be prorogued before we can deal with the motion.

Senator KEATING.—Then the regulations will not come into force.

PERSONAL EXPLANATION.

Senator PULSFORD (New South Wales) [3.33].—I ask the indulgence of the Senate to make a personal explanation.

HONORABLE SENATORS.—Hear, hear.

Senator PULSFORD.—On Tuesday evening, when Senator Guthrie was speaking on the Australian Industries Preservation Bill, he referred to a statutory declaration which I had quoted from Mr. Henry Best. He said—

Mr. Best, at the time of making the declaration, was lying in the Melbourne hospital undergoing an operation, and the local manager for the United Shoe Machinery Company drove to the hospital, and obtained his signature. The signature was obtained at a time when Mr. Best was not absolutely in possession of his whole mental faculties.

Yesterday I received from Mr. Best the following further statutory declaration:—

I, Henry Best, of Fitzroy, in the State of Victoria, boot and shoe manufacturer, do solemnly and sincerely declare—

1. I am informed that Senator Guthrie, on the twenty-first instant, in the Senate, stated that my affidavit, dated the fourteenth instant, read by Senator Pulsford, was made when I was too ill to be responsible for my actions, or words to that effect.

2. This statement was unauthorized by me, and I am in no way responsible for its having been made.

3. I now re-affirm and indorse in every particular the contents of my affidavit, dated the fourteenth day of August, one thousand nine hundred and six.

4. I am now almost recovered from my illness, and have returned from hospital to my own home.

5. I offered to make the affidavit, of the fourteenth of August, after seeing the report of Senator McGregor's speech in the *Herald*, and without any request therefor by or on behalf of the United Shoe Company.

And I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of an Act of the Parliament of Victoria rendering persons making a false declaration punishable for wilful and corrupt perjury.

Declared at Fitzroy, in the State of Victoria, this 22nd day of August, One thousand nine hundred and six.

HENRY BEST.

Before me, JOHN G. YAGER, J.P.

Motion (by Senator CROFT) agreed to—

That the document read by Senator Pulsford be laid upon the table and printed.

Senator PULSFORD.—I beg to lay the affidavit upon the table.

PRESENTATION OF ADDRESS-IN-REPLY.

The PRESIDENT.—I have to report to the Senate that to-day, accompanied by honorable senators, I proceeded to Government House and there presented the Address-in-Reply to the Governor-General's Speech, and that His Excellency was pleased to make an appropriate answer.

LEAVE OF ABSENCE.

Motion (by Senator PEARCE) agreed to—

That one month's leave of absence be granted to Senator Matheson on account of urgent private business.

JUDICIARY BILL.

Bill read a third time.

PAPERS.

Senator PLAYFORD laid upon the table the following papers:—

Amended regulation relating to cadet corps, paragraph 22, Statutory Rules 1906, No. 61; amended regulations relating to the retirement of Warrant and Non-Commissioned Officers, paragraph 123, Statutory Rules 1906, No. 59, and paragraphs 175, 176, 181, &c., Statutory Rules 1906, No. 58; amended financial and allowance regulations, paragraphs 103, 113, 174, &c., Statutory Rules 1906, No. 60.

CONSTITUTION ALTERATION (NATIONALIZATION OF MONOPOLIES) BILL.

SECOND READING.

Senator FEARCE (Western Australia) [3.40].—I move—

That the Bill be now read a second time.

I recognise that in asking the Senate to pass a Bill for the purpose of amending the Constitution, I am taking upon myself a very great responsibility. I would have preferred if the Government could have seen their way clear to adopt the recommendations made by the Tobacco Monopoly Commission.

Senator GRAY.—Why did not the honorable senator force their hands?

Senator PEARCE.—That good old fallacy that we are in a position to force the hands of the Government is disproved by the fact that we would force their hands on this question if we could, but we have not the power.

Senator MILLEN.—It only proves that it has not been exercised.

Senator PEARCE.—It shows that the nonsense which is sometimes talked outside by honorable senators about the power of the caucus over the Government is in the nature of a fairy tale. I expect to receive the hearty support of all the members of the Opposition, because we are all aware that the only effect of passing the Bill will be to refer the question to the electors. My honorable friends are telling the people of Australia that they are anxious to sink the fiscal question, and to have a straight-out fight on Socialism or anti-Socialism, and here is a splendid opportunity afforded to them. By passing this Bill they will be able to raise at the next election that direct issue on the question of the adoption or rejection of the Bill.

Senator Lt.-Col. GOULD.—But we can do that without the aid of the Bill.

Senator PEARCE.—The honorable senator and others go about the country and talk in a vague fashion about Socialism or anti-Socialism. Here is a definite socialistic proposal on which, if the Bill be passed, the electors will have to be consulted. I cannot conceive of a more practical way of getting a vote on the question at the next election. I feel sure that I shall receive the hearty support of all anti-Socialists here in getting an opportunity then to fight the question in a definite fashion. We are forced to recognise that the powers

of the Parliament in the direction of nationalizing industries are limited by the Constitution.

Senator MILLEN.—The honorable senator disputed that before.

Senator PEARCE.—On that occasion I expressed my opinion as a layman, and I now bow to an opinion which was not then in my possession, and that is the opinion of the Attorney-General. Up to that time the only opinion available was one which had been given to the Iron Bonus Commission, and it was of a very indefinite character. The opponents of nationalization read it to mean that the Commonwealth could not nationalize industries, while the advocates of nationalization interpreted it to mean the opposite. It was capable of both interpretations. So far as the tobacco monopoly is concerned, we have a definite expression of opinion which cannot be disregarded by any one, and therefore I put aside my own opinion. With regard to taking over any industry which may become a monopoly we are limited to the implied powers of the Constitution. It is held that, under the implied powers, we could establish iron works for the manufacture of guns, small arms, ammunition, and also for the construction of war ships. It is also held that, as we have to carry the mails round the coast, we could construct ships for that purpose under the implied powers of the Constitution. But when we come to deal with monopolies such as the tobacco monopoly and the sugar monopoly, I think it must be recognised, especially in the light of the opinion given by the Hon. Isaac Isaacs, that there is no implied power which would enable the Commonwealth to monopolize those industries. The Bill, if passed, will have to obtain the indorsement of a majority of the electors in a majority of the States. Honorable senators can be assured that if the Bill passes both Houses, and then has to run the gauntlet of obtaining the votes of a majority of the people in the majority of the States and be successful in doing so, it will undoubtedly express the will of the people of Australia. That consideration should disarm much of the opposition that might otherwise be offered to the Bill. A proposal to nationalize an industry certainly can never become law unless there is a tremendous force at the back of it. We are willing to accept the gage on this

question. If those senators who call themselves anti-Socialists are in earnest, and mean what they say, they can do no less than give us the opportunity to ascertain whether the people indorse their policy or that of the supporters of this Bill.

Senator GRAY.—We shall find that out at the elections.

Senator PEARCE.—We invite them to give us the opportunity. If Senator Gray wishes to fight the next election on the basis of Socialism or anti-Socialism, he could not have a better opportunity than by putting this Bill before the electors, and having it to point to as the dividing line. He can hold it up before them as an example of what the Socialists wish to do. Surely he could not wish for a better chance.

Senator MILLEN.—The honorable senator has given us an opportunity to do that without incurring the expense of a referendum. The introduction of the Bill will have that effect.

Senator PEARCE.—To point to the Bill and to denounce it as a mere proposal would be so much empty talk, and would not be effective. If, on the other hand, the Bill has been passed by Parliament, and is definitely before the electors, there will be a straight-out issue, and a direct expression of opinion can be obtained apart altogether from the fiscal and other issues. I contend that it is necessary that the Commonwealth Parliament should have the further power that the Bill seeks to give to it. If it can be proved that a monopoly does exist in the Commonwealth, and that it is or may become harmful unless the Commonwealth has power to take it over, the States are not in a position to deal with it advantageously. There is no doubt that the States have the power, but if any State endeavoured to take over the monopoly in the tobacco industry, it would almost be courting failure. In fact, the Royal Commission which investigated the tobacco industry in Victoria some years ago recommended that the best method of dealing with it was to make it a State-owned concern; but also came to the conclusion that owing to the boundaries between the States—there being no Federation at that time—they could not recommend that that should be done at that juncture. I think that if we consider the sugar monopoly and the tobacco monopoly, it will be recognised that undoubtedly if they are to be nationalized the best authority to control them is the

Federal Parliament, not the States. Under the States there would necessarily be a divided form of control.

Senator DOBSON.—How does the honorable senator define a monopoly?

Senator PEARCE.—I take it that each of us can define the term for himself. For my own part I say that, when an industry has become so concentrated that a very large proportion of it is practically under the control of one interest, and when it could by the exercise of its power crush out all opponents and prevent competition, it is a monopoly.

Senator GRAY.—Where does that condition exist?

Senator PEARCE.—It exists to-day, as the honorable senator ought to know, both in regard to sugar and tobacco. It is true that the tobacco monopoly allows a certain amount of competition in order that it may be said that there is no monopoly, but I can prove that if the tobacco combine chose to use its power, it could without the slightest trouble crush out of existence all its competitors in Australia.

Senator GRAY.—Oh!

Senator PEARCE.—I am afraid that the honorable senator has not profited by his experience as a member of the Royal Commission. We shall not be treading on unknown ground in dealing with the tobacco monopoly as I propose. British people are notorious for their love of precedent. They like to feel, before entering upon any new path, that some one else has gone there before. I can show that, in regard to the tobacco industry, we shall be following what is now a well-trodden path. France, for many years, has conducted the manufacture of tobacco, cigars, and cigarettes, as a State monopoly. Austria-Hungary and Italy also have their tobacco factories under State control. Still later the rising young country of Japan, after sending experts round the world to study the various systems adopted by civilized nations, and after having had some experience of private enterprise in the manufacture of tobacco, nationalized the industry. By its means, Japan has been enabled to raise a war loan of £60,000,000, making the tobacco monopoly the security for the money. The Japanese tobacco monopoly last year realized in net profits upwards of £4,000,000. The Japanese knew what they were doing when they adopted that course. They did it for revenue purposes. But I am also in possession of evidence to

the effect that when Japan took over the tobacco monopoly, the great British-American Trust had established itself in the country, and was rapidly becoming the chief manufacturer of tobacco in Japan.

Senator FINDLEY.—As a matter of fact, the trust had established a monopoly there. The Japanese Government waited until it had put in the latest machinery, and then took over the industry.

Senator PEARCE.—The Australians are amongst the greatest tobacco smokers in the world. The Japanese people are not pipe smokers at all. They consume principally cigarette tobacco. In France, as in most European countries, including the United Kingdom, the consumption of tobacco is below that in Australia. The price of tobacco in European countries and in America is greater than it is in Australia, and the cost of manufacture in Australia, while it is higher than in the other countries I have named, is not so much higher as to account for the difference in the retail price. Therefore, the proportion of profit derived from the tobacco industry in Australia is greater than it is in the other countries mentioned.

Senator GRAY.—The honorable senator knows the price paid for leaf in those countries?

Senator PEARCE.—Yes, and I know the price paid for leaf in Australia also.

Senator FINDLEY.—France pays as high a price as do other countries. She buys in the best markets of the world.

Senator PEARCE.—The result of the Commission's investigations as regards foreign monopolies is given on page xi. of the majority report, paragraph 36. The Commission says—

With regard to the probable results of the nationalization of the industry, we have every reason to believe that it would be distinctly beneficial from a revenue point of view. France, Italy, Austria, Hungary, and Japan all derive large revenues from this source. France, in 1902, obtained a net revenue of £13,297,464; Italy, 1902, £6,419,237; Austria, 1901, £6,107,000. Japan, after sending officials to study the financial systems of European Governments, and after trying the system of taxation by Customs and Excise duties, took over the whole tobacco industry last year, and made it the security for her war loans to the extent of £60,000,000. France has a revenue from tobacco per head of population of 6s. 10½d., or of 3s. 1.4d. per lb. The average retail price for all forms of tobacco, cigars, and cigarettes being 4s. 1½d. per lb. (See Mr. Jacob's statement—Q. 6257), the average wholesale price being 3s. 10.7d. per lb. (See Mr. Ferguson's statement). Tables accompanying this report, and compiled

from conservative estimates given in evidence, show that Australia receives in revenue from tobacco duties per head of population 7s. 4 11-14d., or 2s. 9 4-7d. per lb., the average retail sale price of all forms of tobacco, cigars, and cigarettes is 6s. 10 4-7d. per lb., the average wholesale price being 5s. 3 4-7d. per lb. The consumption per head in France is 2.178 lbs.; Australia, 2.645 lbs.

Senator MILLEN.—Where was the information relative to the Japanese obtained from?

Senator PEARCE.—Partly from the evidence of Mr. Ferguson, the Chief Inspector of Excise, and partly from Mr. George Carter, one of the witnesses.

Senator MILLEN.—I think I am correct in saying that no evidence was obtained direct from Japan.

Senator PEARCE.—What does the honorable senator mean by "direct"?

Senator MILLEN.—It was all second or third hand evidence.

Senator PEARCE.—The evidence of Mr. Ferguson was obtained by him from the Japanese Customs officials.

Senator MILLEN.—Where is the evidence with respect to the Japanese having made inquiries in Australia and elsewhere?

Senator PEARCE.—It is contained in Mr. Ferguson's evidence.

Senator GRAY.—Would the honorable senator mind giving the Senate a statement as to wages paid, hours worked, and the proportion of females to males employed in the industry in France?

Senator PEARCE.—I am not going into the whole question of the manufacture of tobacco.

Senator Lt.-Col. GOULD.—The honorable senator is wise not to do so!

Senator PEARCE.—The cost of manufacture in France is, I have stated, lower than it is in Australia, and that is accounted for by the high wages paid in Australia. It is a fact that higher wages are paid in the tobacco industry in this country. But there is nothing peculiar in that, because the same remark has to be made in regard to all other industries in Australia. The tobacco industry is not singular in that respect. But there is this important fact to bear in mind—that the wages paid in France in the tobacco monopoly are higher than the wages paid by private enterprise in any similar form of industry in that country. That is the real comparison to be made—not the comparison between the wages paid in Australia and those paid in France.

Taking into consideration the difference in the cost of living, it can be said that the employés in the French State factories are treated in a manner superior to that in which any private employer in Australia treats his employés. In the French industry there is an accident fund, and an old-age pensions fund. Any employé, after serving for a number of years, is entitled, on retiring, to receive a pension for the rest of his life. Honorable senators can find that information in the evidence given before the Commission by Mr. Jacobs.

Senator Lt.-Col. GOULD.—What is the amount of the pension, and what are the wages paid?

Senator PEARCE.—The honorable senator will find a full statement on that subject in the evidence. It is too lengthy for me to read now.

Senator HIGGS.—If the honorable senator gives the details, Senator Gould and others who are interjecting will vote for his Bill!

Senator PEARCE.—Yes; I am quite sure that they will! In arriving at an estimate as to the cost of manufacture in Australia, and as to the probable profit, the Royal Commission was met with a very great difficulty owing to the absolute refusal on the part of the members of the combine to disclose their profits, or their cost of manufacture.

Senator GRAY.—Mr. McKay did the same before the Tariff Commission.

Senator PEARCE.—But we were able to find out practically all that we wanted to know. We were able to ascertain by another method exactly what it costs to manufacture cigars, cigarettes, and tobacco in Australia, what the material costs, the retail selling price, and the cost of distribution. We were able to find that out indirectly from the evidence of the manufacturers themselves, although they refused to give us the information directly. If honorable senators will turn to the tables *a*, *b*, and *c*, compiled by the Commission, and printed in the report from pages 12 to 15, they will find that the whole of the results arrived at there are derived from the sworn evidence of experts engaged in the manufacture and distribution of tobacco. For instance, in arriving at the cost of the tobacco leaf, we took the evidence given by the manufacturers. In arriving at the cost of manufacturing tobacco, we were able to ascertain what we

wanted to know from the evidence of the manager of the New York and Brooklyn Tobacco Company.

Senator GRAY.—He was only an accountant.

Senator PEARCE.—Is Mr. Jacobs anything else? Does he actually make the tobacco in which he is interested? But Mr. Jacobs, although he does not actually make tobacco, has access to his own books; and does he not know the doings of his own company? Similarly, Mr. Davis, although he is an accountant, was fully capable of giving us an opinion as to the cost of manufacturing. He did give us the cost of manufacturing three grades of tobacco, and our estimate of the cost of manufacture is based on the sworn evidence given by him. Mr. Davis is not to be regarded, either, as one who is opposed to the combine. His expressions of opinion were friendly to it—so much so, indeed, that I had suspicions as to whether he was not connected with it in some way.

Senator MILLEN.—Is his firm one of the associated firms?

Senator PEARCE.—So far as we were able to ascertain, he was not connected with the combine, although he was engaged in the same business.

Senator GRAY.—Therefore the combine is not a monopoly to that extent?

Senator PEARCE.—No more than a fly on a locomotive is part of the train. In regard to the manufacture of cigars, we had the evidence, not only of members of the combine, but also of cigarmakers outside the combine, many of whom are carrying on business in Sydney and Melbourne. Some of the makers, like Mr. Schuh, manager for Snider and Abrahams, one of the biggest competitors outside the combine, gave us valuable information. We were able, by taking this information and analyzing it, to ascertain, as I have explained, exactly what we wanted to know. Mr. Schuh, I may remark, did not express himself as opposed to the combine in any way. We had from Mr. Ferguson, who obtained them from retail shops in Melbourne, samples of practically all the forms of cigars, cigarettes, and tobacco, with their prices. We were able to ascertain the proportion sold, and could arrive pretty accurately at the relative values of the samples imported and manufactured for sale in Australia. So that honorable senators will find that the tables which I have mentioned are fairly reliable. If they err at all, they err on the side of

making the profits appear less than they actually are. In fact, we had one witness before the Commission, Mr. George Carter, who has made a life-long study of this subject. He presented an estimate based on his own experience, and disclosed a profit of nearly twice as much as that shown by the Commissioners.

Senator GRAY.—Does the honorable senator not know that Mr. Carter has made two or three reports, one contradictory of the other?

Senator PEARCE.—I do not know that Mr. Carter has done so, but I do know that Mr. Jacobs attempted to prove that Mr. Carter's evidence was misleading. Mr. Jacobs himself, however, came so nearly within a charge of that kind, that I would not place him as a judge in regard to any action of Mr. Carter.

Senator GRAY.—Mr. Carter issued a circular about six months before, which contradicted his other statements.

Senator PEARCE.—On page 14 of their report, the Commission make a comparison between the present system and the system which they recommend. It is shown that in 1904 the—

Population was 3,927,025; consumption, 10,386,236 lbs. or 2-645 lbs. per head; gross revenue, £1,452,754; net revenue, after deducting 3 per cent. cost of collection, £1,419,253; net revenue per head, 7s. 2 14-10d., net revenue per lb., 2s. 8 2-5d.; average retail selling value, all forms of tobacco, 6s. 10 4-7d. per lb.

Taking it that the prices, the cost of leaf, and manufacture, population, and consumption remain as at present, it is estimated that under a State monopoly the figures would be—

Revenue (gross), £3,572,895; net revenue, £1,821,825; cost of production, purchase, and sale, £1,751,070; present net revenue, Customs and Excise, £1,419,253; balance, additional revenue under State monopoly, £402,572; net revenue per head, 9s. 3½d.; net revenue per lb., 3s. 6 1-10d.

Senator PLAYFORD.—Has the honorable senator allowed for the increased wages under a State monopoly?

Senator PEARCE.—I am taking the cost of manufacture, which includes wages, as at present under the Wages Boards and Arbitration Act decisions; but, as a matter of fact, the wages paid in Adelaide, and, I believe, in some instances in Sydney, are below those fixed by the Wages Boards in Victoria. I should now like to show what has been the effect of private enterprise on this industry in the past. It is sometimes said that

State monopoly would crush out individuality and prevent private enterprise; but what has been the experience in other countries where the tobacco industry is a State monopoly? In France the tobacco industry has been a State monopoly for over 100 years. In 1901 France produced 55,914,869 lbs. of local leaf, out of a total of 80,693,824 lbs. of tobacco manufactured—that is, practically 55,000,000 lbs. out of 88,000,000 was local leaf. Australia, with the tobacco-grower in the beneficent hands of private enterprise, produced in 1903, only 802,237 lbs. of leaf, out of 6,601,211 lbs. of tobacco manufactured.

Senator Lt.-Col. GOULD.—Is the honorable senator aware that 8d. per lb. was given for Australian leaf, and that when it was sent Home it sold for 4½d. per lb.?

Senator PEARCE.—I am aware of a good many things of which the honorable senator has no knowledge in connexion with this industry. If the honorable senator had gone with the Royal Commission to Tumut, he would not have been surprised at the fact that the Australian leaf realized only 5d. per lb. in London. After the treatment meted out to the growers, I can almost believe the combine capable of anything.

Senator Lt.-Col. GOULD.—Is the honorable senator aware that Australian leaf for which the manufacturers gave 8d. per lb. was sold in England at 4½d. per lb.?

Senator PEARCE.—I am aware that the trust offered a prize for the best leaf grown at Tumut, and pledged itself to give 8d. per lb. for the first-prize leaf. What happened was that the grower who won the first prize received 8d. per lb. for the quantity which was put into competition, but for the stock of leaf of the same quality which the grower had, he was not given 8d. per lb., or anything like that price.

Senator GRAY.—That is absolutely untrue.

Senator PEARCE.—I ask that that statement be withdrawn.

The PRESIDENT.—Senator Gray must withdraw that remark.

Senator GRAY.—I withdraw the remark, but I say that the statement is incorrect.

Senator PEARCE.—Senator Gray will have an opportunity to follow me, and there is no necessity for him to make statements or remarks of the kind to which I have objected. The trust, in order, as it

was said, to prove that it did "the fair thing," offered to purchase a barrel of the tobacco of the first prize quality, and send it to England for sale in the open market. As a matter of fact, however, the growers had no representative to look after their interests, and were not aware what leaf was sent to England.

Senator GRAY.—Does the honorable senator infer that the manufacturers in this connexion did what was wrong?

Senator PEARCE.—From my experience of the manufacturers, I should think they are capable of anything, and I shall tell the honorable senator why. The representative expert of the tobacco combine was present during the giving of evidence at Tumut, and when the winner of the first prize tobacco was being examined, a sample of the tobacco was placed upon the table. This grower is a native of America, and has followed the occupation of tobacco-grower all his life. He told the Commission that the leaf then produced would, in America, be worth 8d. per lb.

Senator DE LARGIE.—Who brought the expert from America?

Senator PEARCE.—He was brought out by the tobacco combine. This witness, on oath, gave his word that he would expect to realize in America 8d. per lb. for such leaf. The witness who followed was the expert buyer for the combine, and he, indicating the sample of tobacco, said, "I venture to say that that tobacco sold in South Carolina would not realize more than 5d. per lb." I asked him whether he was sure that it would realize 5d. per lb. in America, and he replied in the affirmative. I then pointed out to him that in Australia there was a duty of 1s. per lb., and that, therefore, on his own showing, that tobacco should be worth 1s. 5d. per lb. in Sydney, without considering freight, although the combine had given only 8d. per lb. for a small parcel. That was the evidence of the expert buyer of the tobacco combine. If there is anything in the statement of honorable senators opposite that a duty raises the price of the article, especially when there is not sufficient local production to satisfy the demand, then that leaf should be worth at least 1s. 5d. per lb., duty paid, in Sydney.

Senator GRAY.—Can the honorable senator point to any country where the manufacturers pay a higher price for leaf than is paid in Australia?

Senator PEARCE.—It is such treatment as I have indicated that makes me very

suspicious of anything the combine may do. Let me now, however, return to the subject of the production in France, as compared with that in Australia.

Senator MILLEN.—The honorable senator, in one of his previous speeches, gave us the reason for the unsatisfactory position of the tobacco-growing industry in Australia; he said it was owing to the ignorance of the growers in preparing the leaf.

Senator PEARCE.—I have received some information since which causes me to think that the grower knows more than I gave him credit for. At any rate, the grower is showing his good sense by not producing any leaf at present. In 1890 there were 4,740 acres under tobacco cultivation in Italy, the Government of which had not long taken over the industry. In 1902, the acreage in that country had increased to 12,293, a difference of 7,553 acres in twelve years. There was a time when Australia cultivated a fair acreage, and produced a large quantity of tobacco. The acreage and production reached their highest point in this country in 1888, when 6,641 acres produced 7,868,112 lbs. of leaf. Since 1888 there has been a gradual drawing together of the factories, which have become fewer and fewer, until in the last three years we have seen the monopoly by the tobacco combine.

Senator Lt.-Col. GOULD.—Had the Excise nothing to do with the decrease of production?

Senator GRAY.—Had change of taste nothing to do with it?

Senator PEARCE.—In 1903, in Australia, 1,323 acres produced 802,237 lbs. of leaf, a decrease of 5,419 acres and of 7,065,875 lbs. of leaf. I recommend these figures to our farmer friends as an example of what is happening in Italy and France under State Socialism, as compared with the position of the grower in Australia under private enterprise.

Senator GRAY.—I suppose the honorable senator acknowledges that the quantity of tobacco produced was reduced very considerably before the combine came into existence?

Senator PEARCE.—Certainly. I say that the reduction has been going on since 1888.

Senator GRAY.—Then the combine has nothing to do with it.

Senator PEARCE.—The combine has a great deal to do with the reduction.

Senator GRAY.—What! Before it came into existence?

Senator PEARCE. — The honorable senator does not seem to grasp the fact that since 1888 the factories have been becoming fewer, and that buyers have been disappearing and competition lessening, until, in 1900, the latter practically disappeared because there was only one buyer. Ever since 1888 there have been two movements in the tobacco trade of Australia—a gradual diminution of competition in the manufacture, and the elimination of the tobacco grower from amongst our farmers. There is another significant feature to which I drew attention, when dealing with the Australian Industries Preservation Bill, namely, the lessening the cost of production, and the increase of profits to the manufacturers. There is indisputable evidence that in the case of certain brands of tobacco, there has been an increase of price since 1901. Of course, I know that the combine contend that this is due to the Tariff, but it is significant that in some States the Tariff, so far from warranting an increase in price, should have been followed by a decrease. In South Australia, for example, practically no local leaf was used prior to Federation. Every bit of leaf which entered South Australia at that time had to pay a duty, and the Excise was not higher then than it is at present; therefore, the throwing down of the Inter-State barriers opened to the Australian manufacturers a market for local leaf. Ever since, those manufacturers have been largely using local leaf, which, of course, pays no duty; and in their sworn evidence they give the average price as under 5d. per lb.

Senator MILLEN.—Was the import duty as well as the Excise duty, in South Australia the same before Federation as now?

Senator PEARCE.—No, but very nearly the same.

Senator MILLEN.—I mention that, merely because it is a factor that the honorable senator seems to ignore.

Senator PEARCE.—I can assure the honorable senator that the duties do not affect the case I am presenting, the difference being so small. If honorable senators turn to the evidence of Mr. Ferguson, they will there find the rates of duties in the various States. The point is that, so far as raw material is concerned, the manufacturers in South Australia had to pay duty prior to Federation, whereas since

then at least one-fourth of their raw material has been duty free. The duty before Federation was greater than the whole cost of Australian leaf at the present time, so that, on the manufacturer's own showing, and on the facts as presented to the Commission, it cost more to produce tobacco in that State prior to Federation than it has cost since. There has been no substantial increase in the price of foreign tobacco leaf since Federation. The position is much the same in the other States as in South Australia. It will be found that, on the whole, so far from Federation having made it more expensive to manufacture, it has resulted in a saving. It is a fact, however, that for "Havelock," and one or two other brands, the prices to the retailers were raised shortly after Federation. Prices were not raised to the consumer, because the additional cost to the retailer was so small that it could not be passed on; and the result is that the combine has deprived the retailers of a certain amount of profit, which the latter previously received. The same conditions prevail in relation to certain lines of cigars.

Senator GRAY.—It is remarkable that the retailers have found no fault.

Senator PEARCE.—The retailers have found fault. Scores of retailers told me of the exactions of the combine, but when I invited them to give evidence, they said that they did not want to be "thrown into the streets"—that to give evidence would be more than their business was worth. The only retailers whom I could induce to give evidence were those in a large way of business—practically wholesalers—who spoke in the most flattering terms of the combine, and, no doubt, got their reward in, perhaps, better terms in the future.

Senator GRAY. — The honorable senator could not get any independent tobaccoists to give evidence?

Senator PEARCE.—Not any small retailers. The combine has derived the whole of the profit from the increased prices, and, in addition, has by the very organization, effected a saving in the case of production. I have here some figures which I compiled from the very valuable evidence of Mr. Ferguson, the Chief Inspector of Excise. I recommend those figures to the attention of honorable senators, because they constitute a mine of information from an unbiased and reliable source. The figures are shown on page 22 of Mr. Ferguson's evidence, and show that in 1901 the production of manufactured tobacco amounted to 5,075,537

lbs.; of cigars, 183,877; and of cigarettes, 741,597 lbs.—a total production of all forms of manufacture of 6,601,211 lbs. In 1904, the local production was as follows:—Tobacco, 7,018,560 lbs.; cigars, 250,042 lbs.; cigarettes, 995,271 lbs.; making a total weight of 8,263,873 lbs. As compared with the production in 1901, that shows an increase of 1,343,023 lbs. of tobacco, 66,165 lbs. of cigars, and 253,674 lbs. of cigarettes, or a total increase of 1,662,662 lbs. If we refer to Mr. Coghlan's book for 1901-2, we find that the number of employes in tobacco, cigar, and cigarette factories in 1901 was 2,979. If we refer to the evidence of Mr. D. Ferguson, on pages 274-6, we find that in 1904 the number of employes in all these factories in Australia was 2,816. With 163 fewer employes in 1904 than in 1901, the combined factories produced 1,662,662 more lbs. tobacco of all forms.

Senator Lt.-Col. GOULD.—How does the honorable senator account for that? Is that owing to machinery?

Senator PEARCE.—It proves that the elimination of competition is a good thing, because it cheapens production. By that means, the combine have been able to save a lot of useless labour, such as commercial travellers, agents, and various commissions, and to concentrate their labour into larger factories, instead of having management staffs in each State. They now practically do all their manufacturing in two States. We have there a practical illustration that collectivism is better than competition, that it is a cheaper and better form of production altogether.

Senator Lt.-Col. GOULD.—Because it does not pay for a lot of useless labour.

Senator PEARCE.—Will the honorable senator wait until he hears what conclusions I draw from those facts?

Senator MILLEN.—Did not the Commission obtain later figures as to the number of hands employed?

Senator PEARCE.—No. I am quoting official figures, which, of course, I prefer to those of the combine. In any case, the combine could only state how many hands they employed in their own factories, whereas the official figures embrace all the factories in Australia. If the honorable senator will recollect that, in Victoria, there are upwards of fifty separate cigar makers, some of them using only their own labour, he will see how impossible it is for the combine to give accurate figures. Every cigar-maker has to pay a license,

and, therefore, the Inspector of Excise is in a position to know how many men are employed.

Senator Lt.-Col. GOULD.—By this Bill the honorable senator would destroy every one of those small industries?

Senator PEARCE.—What nonsense! We would do exactly what the combine has been doing. We would still further economise and concentrate, but we would not crush out the growers, as the combine have done. Let us now see what conclusions are to be drawn from the figures. In 1901 the production of the factories amounted to 2,216 lbs. of all forms of manufactured tobacco, cigars, and cigarettes for each person employed, while in 1904 it amounted to 2,934½ lbs. per head, so that 718½ lbs. more tobacco, cigars, and cigarettes was produced by each employe under the combine in 1904 than in 1901. It was proved before the Commission—and I refer honorable senators to tables A, B, and C on pages 12, 13, and 14 of the report—by the evidence of the combine's witnesses that the average manufacturing cost of all forms of manufactured tobacco, cigars, and cigarettes was about 1s. 7½d. per lb. I am taking the farthing as representing 4-11d. It is not quite accurate, but it is near enough for the purpose of making a comparison. The combine saved the labour of 163 employes in 1904 which, at a production per head in 1901 of 2,216 lbs. of tobacco, represented 361,208 lbs. The remaining employes produced 1,662,662 lbs. more in 1904 than was produced in 1902, thus making a total gain of 2,023,388 lbs., the manufacturing cost of which at 1s. 7½d. a lb. represented a saving of £162,595 in 1904 as compared with 1901. No evidence can be produced to show that between those years the combine raised the wages of any of their employes. On the contrary, it can be proved from sworn evidence, and from figures supplied by the combine, that during those years they replaced male labour with female labour, and consequently effected a saving in wages rates, because the females received a lower wage. Under the same system the number of boys was increased, so that the saving which is represented by these figures is much below the mark. The saving alone to the combine must have approached to £200,000 per annum as the result of the combination. The singular point is that there is no one in the Senate or elsewhere who is

bold enough to say that the combine have passed on to the general public a single penny of the saving.

Senator GRAY.—Does the honorable senator mean £200,000 over and above what they were losing, owing to the competition which he acknowledged to exist before the combine was established?

Senator PEARCE.—I do not admit that they were losing. At any rate, if the combine were losing money why did they not say so? Why did they not show the people of Australia that it is not the profitable enterprise which it is supposed to be? I took particular care, as did other members of the Commission, to ask each witness representing the various factories in the combine what were their profits, and without exception they refused to tell us.

Senator GRAY.—Very properly.

Senator PEARCE.—If it is a losing concern, what had the combine to lose by disclosing the amount of the loss? What had they to lose by saying to the people of Australia, "This industry, which the Labour Party want to nationalize, would be a losing concern, as you will see if you look at our balance-sheet"?

Senator GRAY.—The honorable senator is twisting what I said. I said that prior to the establishment of the combine the extraordinary competition, which the honorable senator acknowledged in the majority report, showed almost to a certainty that at that time, at all events, they were losing money.

Senator PEARCE.—I do not admit that, and it is not courteous on the part of the honorable senator to accuse me of twisting anything. He must admit that, holding the opinions I do, my deductions are fair.

Senator GRAY.—When I spoke of twisting, I did not mean what the honorable senator understood.

Senator PEARCE.—I contend that this monopoly constitutes a national danger to Australia. A combination which cheapens production and eliminates waste is a good thing, but it is a bad thing to leave a monopoly in the hands of any individuals. I have no animus against the members of the tobacco combine as individuals, but I contend that the power which they hold over the people of Australia constitutes a national danger. I am not prepared to allow that power to remain in the hands of any individuals, because it has been shown that it can be used to oppress the producer and the consumer. When an industry obtains the power which a mono-

poly confers, the only safety lies in the control and ownership of the industry by the people. Suppose that it were taken over by the Commonwealth, does any one think for a moment that the people would countenance the state of affairs which in twenty years has decreased the cultivation of tobacco by 5,000 acres? The experience of France and Italy shows that a State which is interested in placing its people on the land would encourage the growing of tobacco. Of course, it will be urged that the tobacco combine have increased the growing of tobacco leaf, and spent money.

Senator GRAY.—Have they not?

Senator PEARCE.—I am not prepared to admit that they have.

Senator Lt.-Col. GOULD.—Before the combine was formed, what happened?

Senator PEARCE.—I admit that before the combine was formed the firm of Hugh Dixon and Sons did spend a large sum upon experiments in tobacco growing. I fail to see where the combine have done anything to assist the growers of tobacco leaf. On the other hand, by the prices which they have been paying, and through there being only one buyer, they have practically crushed out the growing of leaf in Australia. The charge is sometimes made that under a State monopoly an inferior quality of tobacco would be supplied. Now, the people of France, whatever may be their faults, cannot be accused of lacking the organ of taste, because they are supposed to possess the finest palate of any people in the world. After all, the quality of tobacco is entirely a question of taste. I venture to say that if I could get some pure tobacco leaf, and I may say that I am stating the result of my experience—

Senator MILLEN.—I thought the honorable senator was a non-smoker?

Senator PEARCE.—I made an experiment upon some members of the Commission. It must be remembered that in the United Kingdom the only ingredients allowed to be used in the manufacture of tobacco are water and some sweetening in the form of sugar. If I could get these three ingredients, put the article under a press, and give the tobacco to an honorable senator who has been smoking, say, Havelock tobacco, probably he would pronounce it to be vile stuff. If I gave a man who has always smoked tobacco as made in England a plug of Havelock tobacco, or a

similar brand, he would pronounce it to be vile stuff. The quality of tobacco, I repeat, is purely a matter of taste. To a Frenchman French tobacco is the best in the world.

Senator MILLEN.—He cannot get any other.

Senator PEARCE.—That old idea has been thoroughly exploded. A Frenchman can get any tobacco he wants, because he is allowed to import it; in fact, the Government will import it for him if he likes. There are importers of tobacco, cigars, and cigarettes into France, but the imported tobacco cannot be sold in competition with French tobacco, simply because the Frenchman has been used to the local tobacco, and, in fact, prefers it.

Senator GRAY.—At what price do Frenchmen get imported tobacco?

Senator PEARCE.—One witness told the Commission that he was not in England very long before he sent out to Australia for some of his favorite tobacco, as he could not stand the English tobacco, and other witnesses who had come from England said that they did not like their first taste of Australian tobacco. Will any one contend that if the Commonwealth were to take over the tobacco factories tomorrow the makers of tobacco would at once lose their knowledge of the process. My service on the Commission has taught me that the Australian smoker smokes tobacco containing a lot of seasonings, such as no other smoker in the world smokes, and seasonings which, moreover, are by no means necessary for the making of tobacco.

Senator MILLEN.—They are not injurious, though.

Senator PEARCE.—Some of them may be injurious.

Senator MILLEN.—An analytical chemist has told me the very opposite.

Senator PEARCE.—That may be. Are the seasonings put in for the benefit of the smoker? If any honorable senators hold that view, they are very simple. When the leaf is bought by the manufacturer, being dry, it is at its very lightest weight. In the steam pipe it absorbs a considerable amount of moisture, and if it were pressed and manufactured in that state, what would happen? It would become mouldy. Every pound of moisture which the manufacturer can get into the leaf means so much profit to him. If the retail price of the article is 3s. per lb., every

pound of moisture he puts into the leaf means a profit of that amount to him. Therefore, he has to put into the leaf something which will not allow the tobacco to go mouldy. The seasoning is put in not to benefit the smoker, but to counteract the effects of the moisture.

Senator MILLEN.—If an unlimited quantity of moisture were put into the leaf, smokers would not buy the tobacco.

Senator PEARCE.—No matter what the smokers like or do not like, as much moisture as the leaf will hold is put in, and I make that statement as the result of my visits to the factories. The seasoning is not put in to pander to the taste of the public, but to enrich the manufacturer. Leaving the tobacco monopoly, I desire to show that there are other monopolies in Australia. The sugar monopoly, for instance, has a big effect upon Australian industry—because sugar enters into a large number of manufactures. Practically one firm refines all the sugar used in Australia. It meets with very little competition, because, as in the case of the tobacco combine, there are only a couple of small outside firms, and these do about 5 per cent. of the total trade. The sugar combine, in Western Australia, at any rate, give rebates to the buyers in order to get control of the whole trade of Australia, and so stop the sale of imported sugar. By the aid of their monopoly, they are able to raise the price of sugar up to the limit allowed them by the Tariff. Although they make a profit of £300,000 per annum, still, during the past season, they refused to give the growers of sugar cane in Queensland a fair price. As a matter of fact, it is paying a lower price for cane than is paid by the State-owned sugar mills in Queensland.

Senator GRAY.—Would the honorable senator propose to give the growers in a bad season exactly what they liked to ask for?

Senator PEARCE.—What the State is now doing in Queensland, it will, I presume, continue to do.

Senator DE LARGIE.—Besides, this is not a bad season.

Senator PEARCE.—Of course it is not. The fact that the State mills in Queensland are paying a price higher by some shillings per ton than the Queensland Sugar Refinery is paying shows that the State treats the grower better and fairer than a private monopoly does.

Senator MACFARLANE.—It has not done so in the past.

Senator PEARCE.—It is doing so today. The fact is, however, that this sugar monopoly has practically the power to fix the price of sugar-cane in Australia, and also has power to fix the retail price of sugar. Therefore, it has in its grip on the one hand the growers of sugar-cane, and on the other hand, the manufacturers who require sugar as a raw material for the production of their commodities. No monopoly should be allowed to exercise such a baneful influence as that. There is another possible monopoly to which Senator de Largie has, on several occasions, drawn attention. I allude to the iron industry. Honorable senators who have listened to me will agree that the probabilities are that if that industry is established in Australia, it must, from the nature of things, become a monopoly. There is not room in Australia for more than one large ironworks. Indeed, the market is so restricted that to start the iron industry in Australia must inevitably conduce to monopoly. The iron industry, I venture to say, deserves the name of mother of all industries as no other does. If we here, as has been done in America, let private capitalists get control of it, we shall have our Carnegies and our Jay Goulds, and other millionaires, and in the future along with them we shall have the usual crop of paupers and poverty-stricken people.

Senator MILLEN.—The honorable senator means that that will be the effect if we have the iron industry under a protective Tariff?

Senator PEARCE.—Tariff or no Tariff, I do not think that there will be much difference. The evidence given before the Royal Commission shows that iron can be produced in Australia at lower cost than that at which it is being produced in America. The point is a debatable one, perhaps, but I venture to say that with a fair amount of capital in Australia, especially if it operates in conjunction with American capitalists, the probabilities are that it would be possible to establish an iron industry without a Tariff. But Tariff or no Tariff, I maintain that the manufacture of iron ought to be a national industry, and that we ought not to allow it to get into the hands of private monopolists. Next, take shipping. The matter has been dealt with very fully, and, there-

fore, I do not intend to refer to it except to say that I regard it as being as necessary to have coastal shipping in the hands of the State as it is to have State-owned railways. If it is essential—and it can be proved to be essential from the example of monopolies in America—that the railways should remain the property of the people, and be worked for their benefit, it is equally necessary that the shipping on our coasts—which constitute an artery of commerce just as our railways are arteries of commerce—should become the property of the people. Unless the people of Australia take steps to prevent it, the shipping ring will become a national danger. We have, I contend, a right to ask that the power which this Bill proposes to secure shall be given to the Commonwealth in order that it shall be in the position to say to monopolists, "We shall take your monopoly out of your hands, compensating you for it, and in future running it in the interests of the people." The object of this Bill is to ask for that power. I invite honorable senators opposite, if they believe that a majority of the people of Australia are opposed to the Commonwealth having the power, to take this opportunity of proving it. If they vote against the Bill, what conclusion must we come to? That they are afraid to obtain an expression of opinion on this question—that they are afraid to let the people of Australia say whether they will give this Parliament the power to pass such legislation as that to which I have referred. Therefore I shall wait with interest for the vote that will be cast upon this Bill. I ask honorable senators to give us an opportunity of appealing to the people as to whether they will give the Commonwealth Parliament this power; remembering that, even if we are successful in our appeal, it will still be an open question whether any particular industry shall be nationalized. No industry can be taken over unless with the consent of the people, and unless there is a majority in both Houses of this Parliament in favour of the proposal.

Debate (on motion by Senator MILLEN), adjourned.

APPROPRIATION (WORKS AND BUILDINGS) BILL.

Bill received from House of Representatives, and (on motion by Senator PLAYFORD), read a first time.

CANTEEN BILL.

SECOND READING.

Debate resumed from 16th August (*vide* page 2925), on motion by Senator DOBSON—

That the Bill be now read a second time.

Senator MILLEN (New South Wales) [4.58].—I should like, in commencing my speech, to indorse the protest made by the Minister of Defence in regard to the extremely intemperate speech on a temperance subject delivered to the Senate by Senator Dobson. It is a curious thing that if you want to hear anything that is absolutely intemperate and inflammatory, you must expect to get it from some one who is an ardent advocate of temperance. Such gentlemen may believe in temperance with regard to intoxicating liquors, but they always appear to me to be the victims of verbal and mental intoxication. On the occasion to which I refer, I am afraid that my honorable friend Senator Dobson was no exception to the rule. I wish to say at once that my honorable friend did not mean it when he accused those who opposed this Bill of being fond of drink, and of being claimants for the right of men to get drunk when they liked.

Senator DOBSON.—I never said anything of the kind.

Senator MILLEN.—I beg the honorable senator's pardon. I took down the expressions as illustrating the type of remarks which he addressed to the Senate in support of the measure. If he denies having used them, of course—subject to a reference to *Hansard*—I must accept his denial. But whether my quotations are literally correct or not, they are not unfair representations of the kind of remarks which he made, and I am sure that when he made that intoxicating speech, he did not honestly mean all that he said. I desire to deal with some of the evidence—if I may so term it by a stretch of language—which Senator Dobson submitted to the Senate in support of his views. Honorable senators will recollect the manner in which he denounced the evidence quoted by Senator Turley as being taken from American sources, and therefore to be discounted. But Senator Dobson himself fell back upon quotations from an American temperance journal. I leave it to honorable senators to determine whether the evidence brought forward by Senator Turley, obtained from official records,

and from reports submitted by officers of the United States Army, and by their chaplains and medical officers, is not entitled to outweigh the quotations from the temperance journal produced by Senator Dobson.

Senator DOBSON. — Senator Turley's evidence was in the interests of those who conduct the drink business, which runs mad in the United States.

Senator MILLEN.—Here is my honorable friend again giving fresh evidence of his want of temperance!

Senator DOBSON.—I stand to my guns.

Senator MILLEN.—The honorable senator is standing not to guns, but to saloons. He is an advocate for the maintenance of drinking saloons.

Senator DOBSON.—Nothing of the kind. The honorable senator wants to put drink before our young men in their camps and barracks.

Senator MILLEN.—I do not want to close up places where our young soldiers will get what they require under proper regulation, and drive them to drinking saloons. I regard the source of my honorable friend's evidence as indicating his want of logic, when he denounces the high official authorities quoted by Senator Turley, and brings forward a partisan temperance journal in support of his contention.

Senator DOBSON.—The journal which I quoted based its statements upon statistics and facts.

Senator MILLEN.—The statements might have been published *bona fide*, but the very fact that they were quoted from a temperance journal indicates that the source was prejudiced. One can reasonably assume that a journal devoted to a particular cause will naturally select for publication only such evidence as supports its own views. But, on the other hand, Senator Turley produced evidence from people who are totally disinterested—clergymen, medical officers, and military officers, who have formed their opinions as a result of experience.

Senator DOBSON. — They made their statements on account of the saloons which were established close to the camps.

Senator MILLEN. — My honorable friend himself said, in dealing with his American quotations, that the dives established outside the military camps were the great curse of the American Army. Yet he is an advocate for such establishments.

Senator DOBSON.—What?

Senator MILLEN.—Let him stand to his guns now. My honorable friend showed from his own quotations that the great evil that has attended the military forces in America was due to the saloons which hedge the camps around on every side. But what does he now propose to do? Does he propose that we shall have total prohibition in this country? Not at all. He wants to abolish the consumption of liquor under the discipline of the camp, but outside he would permit its sale. Does he believe in local option?

Senator DOBSON.—Certainly I do.

Senator MILLEN.—It is a curious thing that, while our policy has been to remove from our citizen soldiers every disability which could differentiate them from ordinary citizens, while we give them the right to vote, and enable them in other respects to exercise the rights and privileges of citizenship, Senator Dobson urges that, so far as drink is concerned, they should be put in a distinct class by themselves. He believes in local option so far as concerns the ordinary citizen; but where the soldier is concerned he would not allow the principle of local option to apply. If the soldiers decided in favour of the abolition of the wet canteen, I should maintain that their wishes ought to be respected. But I deny the right of Senator Dobson, or any one else, to say that, if any soldier desires to have a glass of liquor he shall have to go outside his barracks or his camp to buy it. If Senator Dobson were prepared to go in for absolute prohibition, I could understand his point of view. But, as he proposes to leave the hotels outside the barracks and camps flourishing vigorously, under no discipline, and with all sorts of other attractions, from which the canteen is free, it appears to me that his attitude is utterly illogical.

Senator DOBSON.—My attitude is that I would have no public-house inside any barracks or camp.

Senator MILLEN.—But does the honorable senator believe in the maintenance of the public-house up against the barracks or camp? If my honorable friend is so strong on the point, why does he not advocate prohibition?

Senator DOBSON.—I would vote for prohibition, so far as concerns the supply of drink to our young soldiers.

Senator MILLEN.—But, at the same time, the honorable senator would allow the

young soldier to go outside his barracks, and get as much drink as he liked.

Senator DOBSON.—That is not correct.

Senator MILLEN.—Does my honorable friend then believe in absolute prohibition?

Senator DOBSON.—We could not enforce it. If we could I would vote for it.

Senator MILLEN.—Exactly; and if we abolish the canteen, we shall not have abolished drinking, or removed it beyond reach of the soldier. We shall merely have stopped it from being sold where it can be consumed under restriction, and where there is every inducement for temperance to be observed.

Senator DOBSON.—My honorable friend is very intemperate and unfair, so far as my argument is concerned.

Senator MILLEN.—If I have been unfair, I express my regret, and if I have been intemperate, I can only say that it was due to the evil communications that corrupt good manners.

Senator DOBSON.—Let the honorable senator continue to advocate the inside "pub."

Senator MILLEN.—Why should Senator Dobson be so touchy about the "pub" outside?

Senator DOBSON.—I am not; but the honorable senator is advocating the "pub" inside.

Senator MILLEN.—I shall always advocate the public-house under proper control and discipline, as against the public-house free from control and discipline.

Senator DOBSON.—This debate has caused the Minister to issue fresh regulations for the control of canteens.

Senator MILLEN.—Senator Dobson has asked where there is a case of a properly controlled canteen. My reply is that no one who had ever seen the canteen in the Victoria Barracks, Sydney, would ask the question.

Senator DOBSON.—There is drunkenness there.

Senator MILLEN.—It would be a fortunate thing if the percentage of drunkenness in Tasmania were as low as it is in the Victoria Barracks, Sydney.

Senator DOBSON.—There are no canteens in Tasmania.

Senator MILLEN.—I am speaking of the whole population of Tasmania. Although I have lived for some time in Sydney, it was only on the introduction of this Bill that I took an opportunity to have a look at all the frightful horrors

we have been given to understand are associated with canteens. Having gained my impression of a canteen from some of the speeches made by advocates of the Bill, I went to the Victoria Barracks, Sydney, with a certain amount of fear and trembling, having some doubt whether it was the sort of place I ought to visit. The canteen was a revelation to me. The Minister will confirm my statement that a better or more orderly club could not be conceived; indeed, one would not know there was a canteen there, unless taken to rather an out-of-the-way place where it is conducted. In connexion with the canteen are splendid recreation and billiard rooms, a small hall with a stage and pianola, and various other accessories for the innocent entertainment and amusement of the men.

Senator PLAYFORD.—Chess and draughts are also provided.

Senator MILLEN.—There is everything that can be conceived of as being likely to attract the men away from the injurious and, unfortunately, seductive influences outside.

Senator TRENWITH.—No barmaids.

Senator MILLEN.—No barmaids. The man in charge of the canteen is under no inducement to force liquor on anybody; on the contrary, he himself would be penalized if he allowed the soldiers to consume more than they ought. Compare that discipline with the conduct of an ordinary hotel. Did any one ever hear of a barmaid or barman being dismissed for selling to a customer more liquor than he could safely carry? I venture to say that the penalty would be the other way about.

Senator O'KEEFE.—There are numbers of barmen who are ordered by their employers not to serve drunken men.

Senator MILLEN.—That is so; I am not making any accusation against the ordinary conduct of the trade. But honorable senators will recognise a considerable difference between an ordinary barman and a man in charge of a canteen, who knows that nothing a customer can say can affect the authority which issues the instructions I have indicated.

Senator DOBSON.—Is the honorable senator speaking of canteens generally, or of only one canteen?

Senator MILLEN.—I am speaking of the canteen at the Victoria Barracks, Sydney.

Senator DOBSON.—Does the honorable senator not know that the Minister has stated publicly that irregularities have occurred in each of the canteens?

Senator PLAYFORD.—Not in connexion with drunkenness.

Senator DOBSON.—The idea of giving credit for drink! Is that the way to regulate canteens?

Senator MILLEN.—Do saloons not give credit?

Senator DOBSON.—I have nothing to do with saloons—I desire to get rid of them. Does the honorable senator know that the Minister is going to prohibit all spirits at canteens? Is that the liberty of the subject?

Senator MILLEN.—Is it my friend's method of answering a question, to ask another one?

The PRESIDENT.—I must really ask Senator Dobson to restrain his impetuosity.

Senator MILLEN.—As to the question of local option, I find on going through the figures contained in some papers which were laid upon the table, that something like 239 men of the Permanent Forces are in favour of the maintenance of the canteen, while only 28 are in favour of its abolition. I do not know what majority Senator Dobson would require to determine the question of local option; but, in face of the figures I have mentioned, two things are apparent—first, that an overwhelming majority are in favour of the maintenance of canteens, and, secondly, that the men most competent to form an opinion, see no evil in the canteen. I am of opinion that of 250 odd men there must be a considerable percentage who, even if they themselves took drink in moderation, would still vote for the abolition of the canteen at some personal inconvenience, if they thought its maintenance detrimental to their fellow soldiers. I understand from the Minister of Defence that I am at liberty to read a letter which he has received, and which he has been courteous enough to hand to me this afternoon. This is a letter addressed to Lt.-Col. Wallace, Commandant in Western Australia, by the Rev. Edward Makeham, of the Chaplains' Department, Commonwealth Military Forces, and late chaplain in the Royal Navy. I ask the indulgence of honorable senators while I read this letter, which appears to me to put the case in a remarkably clear and able fashion. It is written by one who, both from his experience and calling,

may safely be accepted as a competent and thoroughly reliable guide. The letter is as follows:—

With regard to the proposed abolition of canteens in barracks and military camps, may I be permitted to enter a plea for their continuance.

During 12½ years service in the Royal Navy, and nearly 15 as a Seamen's Missionary and Harbour Chaplain, I have had abundant opportunity of noting the advantages and disadvantages of the canteen system, and have always found a properly conducted canteen conducive to good order and discipline.

The establishment of naval canteens at Malta, at the Naval Barracks at Sheerness, and on the guardship at Portsmouth, with each of which I was for a short time connected, considerably reduced the number of offences, especially leave-breaking, smuggling liquor, and breaking bounds; while on the other hand an endeavour to close the canteen at the Sailors' Home in Hong Kong resulted in increased drunkenness and crime arising therefrom.

The establishment of a canteen places the sale of liquor under control; the men themselves are also interested in the preservation of order—the canteen being at once closed if any breach of discipline occurs by the privileges being abused.

The absence of a canteen invites the establishment of public houses and grog shops in the vicinity of camps and barracks, and these places are, as a rule, not managed by the most desirable characters. There is also the sly grog seller to be taken into account—a class of occupation which always flourishes where total prohibition is established.

The Commonwealth Force, being a Citizen Force, is necessarily more free than the Imperial, but in this particular matter the conditions are not widely different.

The legislation proposed does not prohibit the use of intoxicants in camps, &c., but only the sale. It may naturally be expected then that men who are not total abstainers will take their own supplies of liquor into camp with them, a practice which, I think, would most certainly lead to grave trouble.

In the management of a canteen I would suggest that:—

1. Beer and wines of good quality be sold.
2. Temperance drinks, such as lemonade, ginger ale, &c., be always on sale.
3. The sale of spirits be strictly prohibited.
4. The President of the Canteen Committee be a commissioned officer not below the rank of captain.
5. All profits, after necessary working expenses are paid, to be devoted to the recreation or other fund for the benefit of the men.

That letter should arrest the attention of those who desire to deal with this matter apart from any pledges. The case is stated with moderation, and the opinions expressed ought to weigh with honorable senators. I desire now to give a few figures as to the relative percentage of drunkenness within barracks and forts, and amongst the general community. I do this because Senator Dobson, in dealing with the same figures

some time ago, brought out results quite different from those I am forced to draw. I find, from a return placed on the table by the Minister of Defence, that the value of the drink consumed in all the canteens represents an average of £5 7s. 11d. per head of the men. That, however, has to be discounted, though to what extent I cannot say.

Senator PLAYFORD.—To a very considerable extent discounted.

Senator MILLEN.—At the foot of the return is a note stating that, in addition to the permanent troops attached to the barracks or forts, the members of the citizens' forces, who attend parades, classes of instruction, and so forth, also use the canteens. It will be seen, therefore, that the average of £5 7s. 11d. must be very largely reduced as applied to the members of the permanent forces only.

Senator DOBSON.—It would be reduced to about £5 per head, I suppose.

Senator MILLEN.—It is no good supposing.

Senator PLAYFORD.—There are hundreds of volunteers and others who attend drills, and so forth.

Senator DOBSON.—How many times a year—two or three?

Senator MILLEN.—I am not going to dogmatize on figures, but merely say that an allowance must be made. Whether that allowance should be 1s., 10s., or £1, no one can say, although we may be inclined to guess. The true figures could only be obtained by a very careful noting of the number of casual visitors attending the barracks and forts. But I take the figures as they stand, and regard £5 7s. 11d. as representing the value of the liquor consumed per head by the men within the forts and barracks. In New South Wales the amount consumed per head within the barracks is £4 3s. 6d.; in Victoria, £7 os. 7d.; in Queensland, £7 5s.; in South Australia, £3 os. 10d.; and in Western Australia, £12 6s. 8d. The average for the whole general population of the Commonwealth is £3 11s. 1d. per head, and I find some difficulty in bringing the figures down to a common standard. It is generally accepted that we may take one adult male for every five of the population. But it would be unsafe to assume that all the ladies are teetotallers, and, therefore, it is impossible to say how much the adult males of the community do drink. If we take the adult males as one to five of the

population, this means an expenditure of £17 15s. 5d. for every adult male in the Commonwealth. Honorable senators may reduce that amount as much as they think proper in consideration of drink supplied to those under twenty-one years of age, or to the females of the community. What I desire to show is that, subject to this allowance, while every adult male in the general community consumes drink to the value of £17 15s. 5d., the men inside barracks consume drink to the value of only £5 7s. 11d. per head. While we cannot dogmatize as to the figures, we may safely draw the conclusion that the difference is so great as to justify us in assuming that men within barracks, as compared with the general population, are moderate drinkers.

Senator PLAYFORD.—Hear, hear; very moderate!

Senator MILLEN.—I should like now to draw attention to some figures relating to the arrests on the charge of drunkenness.

Senator DOBSON.—Before the honorable senator leaves the figures he has just quoted, he ought to bear in mind that of thirty-seven drunkards, twenty-nine got drunk outside canteens. See what the honorable senator's statistics are worth—not a dump!

Senator MILLEN. — The fact is that twenty-nine men got drunk at those places which Senator Dobson would not prohibit, while only eight got drunk in the canteens which the honorable senator would prohibit. We have to remember, in a question of this kind, that there is remarkable difference between civil and military drunkenness.

Senator DOBSON.—That is very wonderful!

Senator MILLEN.—Senator Dobson will understand when I point out that while a civilian, though very drunk, is not interfered with as he walks along the street, so long as he is able to take care of himself, and does not annoy anybody, a soldier, if he shows the slightest sign of liquor within barracks, or when he is in uniform, he is looked after. It means that drunkenness, in a military sense, is much more serious than it is in a civil sense; and, therefore, the light percentage of arrests within barracks must be regarded as even lighter in reality than it would appear from a mere consideration of the figures. It is an unfortunate thing to have to say, but the charges of drunkenness dealt with by the Courts of the Commonwealth amount to 11.68 per 1,000 of the population, which,

assuming all those charged to be men, at the rate of one to five of the population, amounts to 58½ per 1,000 men. Of course, an allowance may be made for the fact that some of those charged are our unfortunate sisters; but still, there are the figures. In connexion with canteens, however, I find that all the charges, even including those where the drink was got outside, amount to only 41 per 1,000; and if we have regard only to those who are charged with offences as the result of drink obtained at the canteens, the proportion is 9.3 per 1,000 as against 58½ per 1,000 outside. All this seems to me to point to the fact that, as we cannot abolish liquor at the present stage of society—as it is generally admitted that prohibition would absolutely break down, and that we must rely on proper regulation and control—it would be remarkably foolish for us as a Legislature, with those facts and figures before us, and unkind to the men themselves, if we abolished the canteen and left no place for social meetings, and for the obtaining of moderate refreshments except those public houses, saloons, and dives which Senator Dobson has again and again affirmed are the real cause of the demoralization of the American Army. For those reasons, it is my intention to oppose the second reading of the Bill.

Senator HENDERSON (Western Australia) [5.29].—I desire to say a word or two in support of the Bill. After having listened very carefully to the long speeches made in opposition to the measure, I ask myself what it is we desire to accomplish. To answer the question, we have first to ask ourselves whether canteens are a necessity. If the answer to the latter question be in the negative, why should canteens be allowed to exist, in so far as they are what may be termed grog shops. A great deal of argument has been culled from outside sources for the destruction of the efforts put forward in support of the Bill. It struck me that many of the arguments used by honorable senators had the, no doubt unintentional, effect of heaping anathema upon the head of our soldier. Whilst they have been endeavouring to defend the soldier, and certain so-called privileges, they seem to have forgotten the fact that they have been making the soldier out to be one of the most wretched creatures who can be found on God's earth. They have been describing him as a veritable slave to his

own appetites; as a man who, if liquor be placed within his easy reach, will become one of the most inebriate, disconsolate, disreputable beings of whom we can conceive. I am really astonished that any honorable senator should regard the person to whom, in certain circumstances, we are prepared to intrust the welfare of the nation, and upon whom we depend for its defence, as being absolutely impotent when it comes to a question of controlling his appetites. Surely if a man is not able to control himself in small things, the money that we spend in endeavouring to make him a defender of the nation might as well be thrown into the sea!

Senator GRAY.—Is not that an argument which could be used against closing public-house bars?

Senator HENDERSON.—I do not think that my argument has anything to do with either the closing or the opening of public-house bars.

Senator GRAY.—But men are the same whether soldiers or otherwise!

Senator HENDERSON.—Yes, and when the opportunity arises I shall take a similar attitude in respect to public-house bars.

Senator PLAYFORD.—In order to be consistent, the honorable senator had better close the bar upstairs.

Senator HENDERSON.—I am prepared to do that. There is no one in the Chamber who is more anxious than I am to record his vote for the closing of the bar upstairs, for I always believe in setting my own house in order. I thought that I had already indicated very clearly my view on that point. At the present moment, however, we are dealing with a Bill, not for the abolition of the canteen, but for the abolition of the traffic in strong drink within the canteen. Surely there are a thousand-and-one attractions besides those of strong drink which may be introduced to the canteen. If the use of strong drink is calculated to benefit humanity, and to make pleasant our communications, social and otherwise, there ought to be a canteen at every man's door or back-yard.

Senator TRENWITH.—There is very nearly.

Senator HENDERSON.—I do not know whether there is or not. All I know is that the nearest canteen is at a considerable distance from my place. If strong drink is held up as an attraction to keep

our soldiers under discipline, and within barracks, in order to perform their duties to their King and country, I am satisfied that we as a people have degenerated to a very great degree. I wonder what the soldier will think of this.

Senator TRENWITH.—He has already stated what he thinks.

Senator HENDERSON.—I am half inclined to think that the soldier has not yet thought out the matter.

Senator PLAYFORD.—He was asked the question, and he answered it.

Senator HENDERSON.—We know how questions are asked at times.

Senator MILLEN.—In many cases he expressed an opinion on the Bill before he was asked the question.

Senator HENDERSON.—In many cases the soldier may have expressed an opinion. But in his reflective moments he may say to himself, "The legislators of the country are urging that, unless the canteen be upheld—unless we have at our command drink of every kind, in order that we may spend at the rate of £5 or £6 a head per annum—we shall go outside the barracks and make beasts of ourselves."

Senator PLAYFORD.—Oh, no.

Senator HENDERSON.—Has not that been the drift of the argument in opposition to the Bill?

Senator MILLEN.—No.

Senator HENDERSON.—Has it not been attempted to be shown that if the strong drink were taken away from the soldier in his canteen he would be driven to go outside for his liquor? There was one honorable senator who went so far as to say that the abolition of the canteen would drive the soldiers into the drink-shops and the brothels surrounding the barracks, leaving us to draw the inference that the men whom we are training for the defence of the country are, when let loose, the basest members of the community. I am not prepared to admit that. I believe that a soldier has all the sterling qualities of manhood, and that he cannot be called a pig any more than can any one of us.

Senator PLAYFORD.—Let him have his drop of grog inside the barracks.

Senator HENDERSON.—In the same way the honorable senator might say in respect of the whole of the community, "Let the people have their drop of drink wherever they will."

Senator PLAYFORD.—So they can.

Senator HENDERSON. — Then why do we regulate the traffic?

Senator PLAYFORD. — We regulate the sale of drink in the canteen. It is also regulated outside.

Senator HENDERSON.—The regulation is illogical.

Senator MILLEN.—Surely the honorable senator would allow a man to have bread.

Senator HENDERSON.—Most decidedly.

Senator MILLEN.—We regulate the sale of bread by law.

Senator HENDERSON.—Yes, by saying that a man shall only have what he pays for.

Senator MILLEN.—There are other regulations.

Senator HENDERSON.—We say that a man shall have 2 lbs. or 4 lbs. of bread in his loaf.

Senator MILLEN.—So far as New South Wales is concerned, the honorable senator is quite wrong, for we do more than that there.

Senator HENDERSON.—In what way is the sale of bread regulated in New South Wales?

Senator MILLEN.—As to the hours within which it may be sold.

Senator HENDERSON.—And the time within which it may be eaten?

Senator MILLEN. — No; we have not gone quite so far as that.

Senator TRENWITH. — In Victoria we have a regulation as to the paper in which bread may be wrapped.

Senator HENDERSON. — In New South Wales do they allow a man the opportunity of stating at what particular period he shall eat his bread?

Senator MILLEN.—Should the Labour Party get into power I believe that there is a probability that they will abolish even that amount of liberty.

Senator HENDERSON.—I do not know that my party has ever had such an intention. I have always understood that it desired to get bread for men, whilst the party to which the honorable senator belongs does not care very much whether men get bread or not. According to the remark of the Minister of Defence, the regulation of the sale of liquor is illogical. If that it is a good thing for a man to have his beer or his whisky be logical, then let him have it when and in what quantity he chooses. I regard a soldier as a man, too. He is, perhaps, under

greater self-control than are many of us. His very training and environment teaches him self-control, and to conduct himself as a man should. A military member of the Senate gave, as an illustration, the conduct of the militia forces in the old country. Any man who is well posted must know that there a militia man has simply two callings in life. One is to go to camp for twenty-one days in the year in order that he may drink the whole of that time, and the other is to rest entirely until the next camp is held.

Senator MILLEN.—Is that the honorable senator's definition of a militia man?

Senator HENDERSON.—In my time in the old country that was the type of man we had in our militia.

Senator MACFARLANE.—They are better now.

Senator HENDERSON.—I do not know whether they are or not. I am simply stating the facts as they are known to me. In my time, there was not a scallawag who was not a member of the militia forces. Surely, we are not going to reduce the defenders of Australia to the standard of that militia! On the contrary, are we not inclined to look upon our soldiers as reputable and respectable citizens who would be able, if called upon, to defend the country? The more opportunities we give to men to drink, and the more encouragement we give to debauchery, the less will be the possibility of getting that soldierly efficiency which is so essential to the defence of the country. I do not see any necessity for keeping liquor in the canteen. I do not suggest the withdrawal of any opportunities of recreation from the soldier. On the contrary, the canteens ought to be made attractive, and to provide for the edification and betterment of the men. I cannot believe, however, that the sale of whisky and other strong drinks is an essential to recreation or good behaviour. On the contrary, it degrades. It not only lessens the physical force of a man, but deadens his mental faculties. Its use has exactly the same effect upon a soldier as it has upon a civilian. We ought to do all in our power to prevent either soldier or civilian from becoming degenerate owing to the use of strong drink. Believing that the Bill would operate in the interests of the soldiers, especially of young men who are generally susceptible to evil influences, I shall support its

second reading. I shall always be found voting on the side which goes for the abolition of the drink traffic and the betterment of mankind generally.

Senator TRENWITH (Victoria) [5.50].—This Bill is one that it is not easy to discuss temperately and moderately, as most measures that come before Parliament are discussed. It touches an article of consumption that we all agree is under some circumstances the cause of very great evil. Even moderate drinkers, as well as persons who abstain from drinking intoxicants, will agree that the question is surrounded with difficulties. I sympathize most heartily with the enthusiasm, and, as has been expressed with some degree of justice, the intemperance, of the advocates of the Bill. I sympathize with it because there is great justification for it in the fact that very great evils do arise from the consumption of intoxicating liquors, and because I believe that the bulk of the people who advocate their abolition are convinced that that abolition is possible, and that every attempt should be made to achieve it. Having said that much, however, I have to acknowledge that I feel that to abolish canteens while other facilities remain for the soldier to get drink, so far from being conducive to greater sobriety on the part of the soldier, would rather tend to increase drunkenness, and would lead to a more baneful and pernicious form of drinking. My honorable friend, Senator Henderson, has delivered an address stimulated, I am sure, by a feeling of abhorrence at the very great evils that the drinking habit entails upon the people of all parts of the civilized world. But we have to deal with this matter as practical men from the experience which we have of life. We shall all agree that if drinking could be abolished in the ranks of our soldiers it would be very desirable to abolish it. But the question that we have to consider is whether by abolishing the canteen we should stop drinking or reduce drunkenness. I am inclined to think, and certainly experience, so far as we have had evidence, teaches, that to abolish the canteen, so far from abolishing or minimizing drinking will lead to a greater amount of drinking, and drinking of a more baneful character than that which now prevails. If that view be correct, even Senator Henderson, Senator Dobson, and those who feel with them, as I do, must see that we ought not to adopt a course which would create such results.

Senator DOBSON.—Hear, hear; but we absolutely believe that the abolition of the canteen would reduce drinking.

Senator PLAYFORD.—All experience proves the contrary.

Senator DOBSON.—Absolutely no.

Senator TRENWITH.—I beg to assure the honorable senator that I feel as strongly as he does about the evils which follow from drinking, and agree that we should resort to every expedient to minimize it. But I consider that the expedient now proposed would not minimize, but increase drinking. I have had an intimate acquaintance with aggregations of men in camps. I was for several years secretary of the Railway Workers' Union—an association of navvies, as they are called, who construct railways, and whose work is mostly done in places remote from public-houses. I have always found that the worst drunkenness—that drunkenness which produces the most frenzied and insane acts on the part of those who become drunk—occurred in places the most remote from public-houses, where the law regulates the sale and the policeman exercises supervision. One Sunday morning I was in a camp where by law no liquor was permitted to be sold, and where, consequently, there was no regulation. I saw there no fewer than 53 fights—actually 106 men standing up to fight each other in a frenzied condition produced by drinking at a sly-grog shop.

Senator DE LARGIE.—Did the honorable senator count them?

Senator TRENWITH.—I did. It was my business to be there as secretary. I need not tell honorable senators—they can easily realize—how horrified any self-respecting man would feel at such a sight.

Senator DE LARGIE.—Every new mining camp presents somewhat similar scenes.

Senator TRENWITH.—These men were no worse, I think, than ordinary rough labouring men usually are. I do not think they were more brutal than ordinary men. But they had no means, decently and orderly, of gratifying the passion which they possessed for strong drink. Means were presented to them indecently, and without any order, of obtaining drink of the worst, and most maddening character. That was my experience in connexion with some 5,000 men. I do not wish to convey the impression that drunkenness was the general characteristic of them; but it is the sort of drunkenness that prevails where there is no

regulation. I have not the slightest doubt that if canteens were abolished, soldiers would become sly-grog sellers. That is not to say that they would become worse than ordinary citizens. Ordinary citizens, we know, wherever drink is attempted to be prohibited, become sly-grog sellers.

Senator HENDERSON. — That is saying very little for official regulation.

Senator TRENWITH.—But my honorable friend proposes to abolish official regulation.

Senator HENDERSON.—Oh, no!

Senator TRENWITH.—He proposes to abolish the canteen.

Senator HENDERSON.—To abolish strong drink, not discipline.

Senator TRENWITH.—If my honorable friends are going to make this a Bill to more rigidly control the drink traffic outside barracks and camps, they will receive my hearty support. But that is not what they propose. They propose to say merely that the soldier who wants to drink—the soldier who has just the same desire for drink as the average citizen—shall be denied in his home the privileges that ordinary citizens have. The barracks are soldiers' home, and this is a proposal to deny him the rights which ordinary citizens enjoy in their homes.

Senator STANFORTH SMITH.—The Bill deals not only with barracks, but with camps in the field.

Senator TRENWITH.—We are dealing particularly with permanent canteens.

Senator STANFORTH SMITH.—Not necessarily.

Senator TRENWITH.—The field is the soldier's home when he is in camp. I believe that the preponderating opinion of scientific men and decent citizens is that, under reasonable conditions, without undue or abusive use, strong drink is, to some people, a comfort and an advantage. Our soldiers being drawn from the ranks of ordinary citizens, possess, in just about the same percentage as do people outside barracks, that desire for drink. Until we are prepared to control more rigidly or to abolish absolutely the use of alcohol, both inside and outside barracks and camps, we shall not be acting logically or fairly to our soldiers if we impose restrictions upon them which we are not prepared to impose upon ourselves and upon other citizens. I have no hesitation in saying that if I believed for a moment that the abolition of canteens would lead to increased

sobriety on the part of soldiers I should be prepared to vote for their abolition. But I am as confident from my experience as I can possibly be that the abolition of the canteen would not lessen drinking amongst our soldiers, but would lead to a kind of drinking that would be more baneful to them.

Senator HENDERSON. — That is a bad argument. It lowers the soldier terribly.

Senator TRENWITH.—It does not lower the soldier any more than it lowers the ordinary citizen. The soldier is, indeed, only an ordinary citizen, except that in some respects he is a little bit better. He is, for instance, selected because of his physical health and fitness. What I am urging is that in connexion with ordinary citizens whether there is regulation or no regulation, there is drinking; and where there is drinking without regulation, experience teaches us that it is more baneful than where it exists with regulation. I had a curious experience in New Zealand, where I travelled for seven weeks a few years ago. I travelled with a gentleman whose duty it was to accompany a Commission to which I had been appointed. He was a very fine fellow indeed. He was always, as we all were, sober, until we struck a prohibition section of New Zealand. Then I never saw a man more drunk in my life than he was. On the Cheviot estate, which was a prohibition area, we could not get drink, so the law said; but nevertheless, I never saw a man more drunk than this man was. Possibly it was an accident—possibly a constitutional defect asserted itself over him just at that time. But still, there was the fact.

Senator DOBSON.—Does not the honorable senator know that in the prohibition districts crime and drunkenness have decreased?

Senator TRENWITH.—I will tell the honorable senator what I also know—that recently the late lamented Richard Seddon proposed, in connexion with the prohibition law of New Zealand, to make it an offence anywhere in that country for any person to be found with drink on his premises. But the prohibitionists objected to that. Those who wanted to prevent the "other fellow" from drinking would not support the proposal. Yet the logical issue of prohibition is that no one should be allowed to drink anywhere within the prohibition area, and that any one found with drink in his possession shall be guilty of an offence.

Senator DOBSON.—That is no argument, seeing that it is proved that prohibition makes for sobriety and lessens crime.

Senator TRENWITH.—I quite agree with the honorable senator in that. But I believe that the abolition of the canteen would not prohibit drinking among our soldiers. It would go on just the same, unless it was made an offence for a soldier to have drink in his quarters. Without such a regulation, merely to abolish the canteen would be to aggravate an evil, which would be very much greater than the drinking evil which at present is alleged to prevail. Probably drinking would prevail to a greater extent than it does now, but it would be of a very much more harmful character, and would take place under conditions where the same supervision could not be exercised, as is the case when liquor is consumed at the canteen. For these reasons, I shall vote against the second reading of the Bill.

Senator DOBSON.—Why not vote for the second reading, and put in the Bill in Committee what the Minister says that he is prepared to consent to?

Senator TRENWITH.—I think that the proposal is evil in its essence. The Bill is wrong in principle, because it imposes upon the soldier a disability that honorable senators are not prepared to impose upon the ordinary citizen.

Senator DOBSON.—The Minister proposes to prohibit the sale of spirits in the canteen.

Senator TRENWITH.—I do not know what the Minister has proposed to do. I have always been a local optionist. I believe that it is a proper democratic principle that the majority should rule. If the majority of the soldiers in a barracks, or the majority in a camp said, "We think that it is baneful to permit the sale of liquor within the precincts of our camp," they should have the right to expel it. But I think it is wrong of us to impose upon soldiers a disability that we are not prepared to impose upon ourselves. The whole proposal is illogical; and even if it were logical, it is not calculated to produce the result that is aimed at.

Senator STANIFORTH SMITH (Western Australia) [6.10].—I think that it is the duty and the desire of all of us to minimise intemperance in every reasonable way. I am quite prepared to admit that those who are opposing the abolition of canteens are desirous of seeing that result

achieved. At the same time, I believe that to remove the temptation is always a good way to minimize an evil. Both in my legislative and administrative career, I have on every opportunity endeavoured to reduce the opportunities to indulge in drink, which I regard as one of the greatest curses under which the people of Australia suffer. It has been proved that where opportunities to drink have been reduced, decrease of intemperance has been a natural corollary.

Senator PLAYFORD.—That is not the experience of those who know anything about the matter.

Senator STANIFORTH SMITH.—I am of a contrary opinion. Opportunity to do wrong often results in wrong, and we know that Shakespeare says—

How oft the sight of means to do ill deeds
Makes ill deeds done!

Senator Millen twitted Senator Dobson with advocating the saloon and opposing the canteen—with advocating a "pub" outside, and opposing a "pub" inside. It would be equally fair, or equally unfair, to charge Senator Millen with advocating a "pub" both inside and outside. There is no doubt that canteens afford opportunities to drink during hours of duty; and that brings me to the contention that a canteen is on a very different footing from an hotel. An hotel is usually availed of by people after office or business hours, whereas the canteen is open to the soldier during the time he is actually engaged in his professional duties.

Senator WALKER.—Are canteens open all day?

Senator PLAYFORD.—No.

Senator STANIFORTH SMITH.—Canteens are practically open the whole time.

Senator PLAYFORD.—They are open only at stated hours.

Senator STANIFORTH SMITH.—But they are open during the time the soldiers are on duty.

Senator PLAYFORD.—I do not say that is not so; but canteens are open only at stated hours.

Senator STANIFORTH SMITH.—Are people engaged in industrial organizations granted the privilege of canteens?

Senator PLAYFORD.—The honorable senator had better go and see the canteen at the Melbourne *Argus* office.

Senator STANIFORTH SMITH.—Is it usual to allow canteens on premises where industrial operations are carried on?

Senator PLAYFORD.—People do not live, and sleep and make their homes on industrial premises.

Senator STANIFORTH SMITH.—What I say is that canteens where liquor is sold are open to the soldier during his business or professional hours, whereas a similar privilege is very infrequent on industrial premises. Why should we not allow the members of the civil branch of the Public Service—say those engaged at the Treasury Buildings—to have a canteen?

Senator PLAYFORD. — The Treasury Buildings are not the home of the public servants.

Senator STANIFORTH SMITH.—In my opinion, the cases are quite parallel. In the camp and in the field, canteens are allowed; and there seems to be no reason, if that be so, why there should not be canteens for the civil branch of the Public Service during business hours.

Senator DE LARGIE.—The civil servants are not then at their homes.

Senator STANIFORTH SMITH.—The camp or the field is not the home of the soldier.

Senator DE LARGIE.—Yes, it is, for the time being.

Senator STYLES.—Why not have a canteen for the Australian Navy.

Senator PLAYFORD.—The number of the members of the Naval Forces is too small to support a canteen.

Senator STANIFORTH SMITH.—Why should there not be canteens in factories or foundries? If residence is to be the great justification of canteens, why is there not a canteen for the police or for the fire brigade?

Senator CROFT. — Because all the constables do not live at the police barracks.

Senator STANIFORTH SMITH.—Neither do all the soldiers live in barracks.

Senator GUTHRIE.—All unmarried constables live in the police barracks.

Senator DE LARGIE.—Is Senator Smith quite sure that the police have not canteens?

Senator STANIFORTH SMITH.—I am quite sure. I am not advocating the abolition of canteens, but only the abolition of the sale of intoxicating liquors at canteens. As a matter of fact, in the canteen soldiers are granted a privilege which is denied to the whole industrial army—which is denied to other branches of the Public Service, including the police and the fire brigade. This Bill, instead of proposing to put soldiers on a different footing from that of other citizens, really proposes

to put them on exactly the same footing. In the United States, where there is a population of 80,000,000 people, canteens have been abolished, and on this point we have had a great deal of evidence, for and against, quoted to us by Senators Turley and Dobson. What those honorable senators quoted were individual opinions expressed by people who have had an opportunity to observe the conditions both before and after the abolition of canteens in the United States.

Senator PLAYFORD.—There is not much evidence as to the conditions after the abolition of canteens.

Senator STANIFORTH SMITH.—There has been a great deal of evidence as to the conditions which prevailed after, and while canteens were in existence.

Senator PLAYFORD. — There was less drunkenness in the Army in the United States while canteens were in existence than there is to-day.

Senator STANIFORTH SMITH.—The supreme fact overlooked is that the Government of the United States, which must have the best interests of the Army at heart, has decided to continue canteens without the sale of liquor, and I know of no popular proposal to re-establish the sale. The opinions which have been quoted to us are nothing when compared with the opinion of the whole 80,000,000 people of the United States, as expressed by the Legislature, which denies soldiers the so-called privilege of being able to obtain intoxicating drink during military hours.

Senator TRENWITH.—The soldier's hours are twenty-four a day, though he may be actually on duty only three or four hours.

Senator STANIFORTH SMITH.—And while the soldier is on duty the canteen is open.

Senator TRENWITH.—But the soldier cannot leave his duty and go to the canteen.

Senator STANIFORTH SMITH.—Members of fire brigades are on duty twenty-four hours in the day, and yet they have no canteen.

Senator PLAYFORD. — The members of fire brigades are very few in number, as compared with soldiers.

Senator STANIFORTH SMITH. — At the head fire-station, Eastern Hill, Melbourne, men have to be on duty at all times, and the principle is exactly the same as that which applies to soldiers. The American people are not likely to be carried away by fads, and yet they have decided to abolish drink at canteens.

Senator CROFT.—That must have been done just before an election.

Senator STANIFORTH SMITH.—Whether that be so or not, drink is still abolished at military canteens in the United States, and there is no organized opposition to the present conditions.

Senator PLAYFORD.—In England canteens have not been abolished.

Senator STANIFORTH SMITH.—The English people are admittedly slow to do away with abuses—they are exceedingly conservative in regard to their institutions. If we are to mould our legislation on that of Great Britain, there is no occasion for an Australian Parliament. When the referendum was taken amongst the soldiers, I believe the question put to them was whether or not they were in favour of the "abolition of canteens."

Senator PLAYFORD.—No.

Senator STANIFORTH SMITH.—It was so stated in the press; and I believe that many of the soldiers voted against the abolition of drink with the idea that they were voting against the abolition of the canteen, which is, as we all know, a sort of military store.

Senator PLAYFORD.—That was not so. Does the honorable senator propose another referendum?

Senator STANIFORTH SMITH.—This Parliament is here on a referendum of the people, who gave us plenary power to make laws. The Minister of Defence does not appear to quite understand what local option is. It does not mean handing over the whole power to a few persons engaged in one industry or profession, but it means the consent of the whole people.

Senator PLAYFORD.—Local option is applied in districts.

Senator STANIFORTH SMITH.—Do we offer local option to the Public Service as to whether they shall establish a canteen? What this Bill proposes is to give soldiers the same rights and privileges as are enjoyed by ordinary citizens; and if the soldiers at Queenscliff want all, or any, of the hotels there abolished, they have equal voting and local option power with the rest of the community. The question is whether soldiers shall be allowed to obtain liquor inside barracks and camps during professional hours. My own opinion is that we should not propose to abolish canteens unless we are prepared also to abolish the canteen in Parliament House. The refreshment bar here is open during our professional or legislative hours,

and I am quite prepared to support the abolition of the sale of drink here. We should be placed on the same footing as that on which it is proposed to place the soldiers. If the refreshment bar were closed, members of Parliament, like the soldiers, would not be denied the right to obtain refreshment outside.

Senator CROFT.—Is the honorable senator prepared to allow the soldiers to say whether or not the parliamentary bar shall be closed?

Senator STANIFORTH SMITH.—I never heard such a ridiculous suggestion in all my life!

Senator O'KEEFE.—The honorable senator is proposing to abolish the bar in barracks.

Senator STANIFORTH SMITH.—We are here to make laws, while the soldiers are there to defend the country. We are empowered by the Constitution to legislate, and we are acting within our rights in dealing with canteens, which, allowed by law, may be abolished by law. I am quite prepared to credit the opponents of the Bill with intentions equally as good as those which I entertain, but I have always adopted the plan of reducing opportunities to drink wherever possible. When I was a member of the Licensing Bench on the Western Australian gold-fields, I did everything I could to prevent the granting of fresh licences, and during my tenure of office scarcely an additional licence came into existence. As the dinner hour has now arrived, I ask leave to continue my remarks on a future occasion.

The PRESIDENT.—I think that no honorable senator, under such circumstances, ought to be granted or not granted permission to continue his remarks at the dictum of any one honorable senator. If I put the question whether Senator Smith be permitted to continue his remarks any honorable senator may object, and I do not think that is fair when a speech is interrupted by ordinary business arrangements of the Senate. I have thought over this matter for some time, and I propose now, and in the future, not to ask the Senate to grant leave to an honorable senator to continue his speech when that speech is interrupted by the dinner hour. I now rule that Senator Smith may continue his speech without asking for leave when the debate is resumed.

Debate adjourned.

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Sitting suspended from 6.30 to 7.45 p.m.

AUSTRALIAN INDUSTRIES PRESERVATION BILL.

In Committee (Consideration resumed from 22nd August, *vide* page 3178):

Clause 4—

1. Any person who, either as principal or as agent, makes or enters into any contract, or is or continues to be a member of or engages in any combination, in relation to trade or commerce with other countries or among the States—

(a) with intent to restrain trade or commerce to the detriment of the public; or

(b) with intent to destroy or injure by means of unfair competition any Australian industry, the preservation of which is advantageous to the Commonwealth, having due regard to the interests of producers, workers, and consumers,

is guilty of an offence.

Penalty: Five hundred pounds.

2. Every contract made or entered into in contravention of this section shall be absolutely illegal and void.

Upon which Senator Sir JOSIAH SYMON had moved by way of amendment—

That after the word "contract," line 18, the word "hereafter" be inserted.

Senator DRAKE (Queensland) [7.46].—I really forget for the moment whether Senator Keating said that the Government were going to accept the amendment or not.

Senator PLAYFORD. — We prefer the wording of the clause as it is.

Senator DRAKE.—Surely there cannot be any harm in putting in the word "hereafter." I fail to see how it would be possible for a contract to be made in contravention of an Act which did not exist, so that the clause must refer to future contracts.

Senator KEATING.—If so, what necessity is there to put in the word "hereafter"?

Senator DRAKE.—To make certain that it does refer to future contracts.

Senator MILLEN (New South Wales) [7.47].—I would appeal to the Minister to accept the amendment which has been moved with a genuine desire to improve the Bill. On his own showing, it would appear that it is intended that the clause shall only apply to agreements made after the passing of the Bill. If that is the intention, and there is a feeling on this side that it is not expressed with sufficient clearness, it seems most unreasonable that he should resist an amendment which he admits will do no harm.

Senator PLAYFORD.—Cannot my honorable friends accept our statement that that is really what is intended?

Senator MILLEN.—It is not a question of doubting the Minister's word. The words in question have been interpreted in two ways, and the only desire is to properly express our intention that the Bill shall apply to only future agreements. Even admitting that the Minister is right in his interpretation of the words, he will not be made wrong by accepting the amendment.

Senator PULSFORD (New South Wales) [7.50].—In the various States there is a strong and widespread fear that existing arrangements may be brought under the operation of the clause.

Senator PLAYFORD.—If they are continued, undoubtedly they will.

Senator PULSFORD.—If I mistake not, Senator Trenwith dealt with this point a few days ago, and elaborated the desirability of allaying such apprehensions. If the Government, however, deliberately refuse to accept a very simple amendment, which would make our intention quite clear, the public can only form their own conclusions on the point. I hope that the Minister will not refuse any longer to accept so simple a solution of the difficulty.

Senator PLAYFORD (South Australia—Minister of Defence) [7.51].—I should be only too glad to accept the amendment if I were perfectly satisfied that it would not cause difficulty. It is not easy to say, when we alter the wording of a clause, whether the effect will be exactly what we expect. We all know that the members of the legal profession are so subtle, that they can twist a provision in all sorts of directions. As I understand the clause, it means that in the case of a contract entered into before the passing of the Act, a person will not be liable to any retrospective pains or penalties if it is in contravention of the Act.

Senator MILLEN. — We only want to make that clear.

Senator PLAYFORD. — I think it is clear. The clause goes on to provide that every contract made or entered into in contravention of this section shall be absolutely illegal and void. I do not know whether, if we inserted the word "hereafter," it might not in some way conflict with the first part of the clause. It might in some way limit the power which is there given, and I do not want that to be done.

I am afraid that if the amendment were made, it might be argued that it would give persons a loop-hole for saying that the provision could only apply to contracts made after the passing of the Act. What we say is that we will not punish men for having entered into a contract which is made illegal by the clause, but if we make the amendment, we may really say that contracts hereafter made may continue to run for ever. I think that there is an element of danger attached to the amendment. In matters of legal interpretation, I have to trust to my honorable colleague, who is a lawyer. He informs me that there is a slight danger in making the amendment, and he would prefer that the clause should stand as it is.

Senator TRENWITH (Victoria) [7.54].—We have to look at what the clause proposes to do, in order to understand whether contracts made in contravention of it would be affected. The first part of the clause says that the making of a contract with intent to injure an Australian industry is a punishable offence. It must be done in contravention of the Act, and when it is so done, the offender is punishable with a fine of £500.

Senator CROFT.—Suppose that extensive contracts have been entered into during the discussion on the Bill?

Senator TRENWITH.—The object of the clause is to punish offenders who make contracts in contravention of it. Obviously, a man cannot make a contract in contravention of a clause before it is enacted. The clause goes on to provide that a contract made or entered into in contravention of it shall be null and void. Clearly, it cannot have any reference to a contract now existing, and consequently to a contract which was not made in contravention of it.

Senator DRAKE.—Why not put in the word "hereafter"?

Senator TRENWITH.—I have received a string of amendments which have been suggested. It is proposed, for instance, to put the word "wilful" before the word "intent." Would it not be absurd to make that amendment, because the intent must be wilful? To insert the word "hereafter" in this clause is obviously unnecessary, because the object is to provide a punishment for the offence of making a contract in contravention of it, and then to declare that the contract so made—not any other contract—shall be null and void. Clearly it must be a contract made after the pro-

vision had come into force, or it could not be a contract "made or entered into" in contravention of it.

Senator MILLEN (New South Wales) [8].—If the statement of Senator Trenwith be correct, it follows that the difficulty foreseen by the Minister will arise. If, as Senator Trenwith affirms, the clause would only be operative in respect of an agreement made after the passing of the Act, then the contention of the Minister that an agreement made prior to the passing of the Act could not continue to run its whole course must fall to the ground. Suppose that twelve months ago an agreement was made for a period of seven years. According to Senator Trenwith, it would not come within the scope of the Act.

Senator PLAYFORD.—If a man continues to be a member of a combination he would.

Senator MILLEN.—Does the Committee desire to have in the Bill a clause which would allow a contract of that kind to run its full term or not, or does it agree with Senator Trenwith that all existing contracts should be allowed to continue, irrespective of the passing of the Bill? Here we have from two laymen two different readings of the clause. Could a stronger argument be required as to the necessity for revising its wording? Suppose that the clause is passed as it is, and that there is in existence an agreement which was entered into before the Bill became law, and which contains a condition that certain payments shall be made. If, as the Minister contends, an existing agreement would come within the four corners of the Act, then it seems to me that one party to that agreement could decline to make his payments, on the ground that it had been rendered null and void by the passing of the Act. Surely it is not desired to draw a knife across existing business arrangements?

Senator PLAYFORD.—No. That would only happen if he did something with intent to restrain trade or to destroy an Australian industry.

Senator MILLEN.—It ought to be made abundantly clear whether the clause will allow existing contracts to continue indefinitely or not. In the circumstances, I think that the clause should be amended in order to remove all doubt on the point, or, failing that, there should be an assurance from the Minister that an opportunity will

be given later on, after he has consulted with his colleagues or advisers, to reconsider the point.

Senator TRENWITH (Victoria) [8.3].—I think that honorable senators have confused two things in the clause. It first creates the offence of making or entering into a contract, and then it goes on to say that if any person commits the offence of making a contract in contravention of the section, or continues to be a member of a combination, the contract shall be null and void. I feel perfectly clear that that cannot possibly refer to a contract made before the passing of this Bill. Therefore, it is not necessary to insert the word "hereafter." If it is the intention of the Minister that contracts already made which are in conflict with this measure shall be illegal, he will have to state that specifically in the Bill. I feel quite certain that the measure would not be so interpreted by a Court, as it stands at present.

Senator WALKER (New South Wales) [8.6].—It seems to me that Senator Trenwith's argument is very good so far as it goes, but still, I cannot see any harm in putting in the word "hereafter." What objection can there be to make assurance doubly sure?

Senator DRAKE (Queensland) [8.7].—I may point out that sub-clause 2 does not refer to a person at all. It only refers to a contract, and apparently has reference to the contract dealt with in sub-clause 1. As I previously pointed out, it appears to me that a contract could not be made in contravention of an Act which did not exist. Therefore, a contract made in the future must be referred to. But seeing that the Minister thinks that a contract made before the passage of the Bill might be voided, it is surely only prudent to insert a word to make it perfectly sure that the interpretation of the clause shall be that which the Senate desires to put upon it. The suggestion to insert the word "wilful" before "intent" affords no reason why we should not insert another word which is obviously necessary to prevent a misunderstanding. There is a difference of opinion as to whether the clause as it stands is retrospective or not. Surely it is better to clear up the matter by inserting "hereafter." That would make it quite clear that contracts made before the passing of the Bill would not be voided.

Senator PULSFORD (New South Wales) [8.10].—I am confirmed in my impression of the desirableness of this

amendment by noting the exact terms used by Senator Trenwith in his second-reading speech. He said, after making it clear that he himself was satisfied with the clause—

Speaking for myself, I have no doubt at all on the subject. It is perfectly clear to me that under no circumstances can this Bill affect agreements entered into before it is passed. It is quite impossible that such agreements could have been made in contravention of a section of an Act which had no existence. Still I think the Minister of Defence would be wise if, by some statement or other, he were to make that perfectly clear to the public mind, so that those who are now nervous on the matter shall be reassured.

Senator PLAYFORD. — The Attorney-General stated that in another place.

Senator TRENWITH.—I think that the Minister of Defence should state it also in the Senate, and in terms as definite as they can possibly be made. It cannot be made too clear. Many persons are nervous and anxious on the subject, and it is as well that their minds should be relieved.

After arguing further on the clause, he finished up with this remark:—

I am not now endeavouring so much to reply to objections raised in the Senate, as to remove anxiety which I know to exist in the minds of individuals outside with reference to the possible operation of this measure.

With those words before us, from, perhaps, the warmest supporter of the Bill in the Senate, how can we hesitate to urge the Government to adopt this very simple amendment?

Senator MCGREGOR (South Australia) [8.11].—I hope that the Committee will not insert the word "hereafter." I am satisfied that it will merely create a loophole around which the legal men will cluster. I have given a good deal of consideration to this point, because, like Senator Trenwith, I was approached by persons who thought they were interested in having the point made as definite as possible. Even if it were desirable to insert any words to carry out Senator Pulsford's idea, the word "hereafter" is not the best one to employ. The words "after the passing of this Act" are usually employed to express what he desires. "Hereafter" is an indefinite term, and would probably lead to a great deal of argument by clever gentlemen of the legal profession. But it is not necessary even to insert "after the passing of this Act," because the meaning is so obvious on the face of the clause. Even if the Minister of Defence did make a statement to the contrary, he was, as he would say, "caught on the hop," and had not fully considered the meaning of the clause.

Would it not be a peculiar thing in passing a Bill dealing with the criminal law to say "after the passing of this Act no one shall commit a murder"? The clause is quite clear and definite, and any one who reads it must recognise what is meant. Honorable senators opposite have on several occasions attempted to strike out words from Bills that were no less objectionable, or, indeed, more objectionable than the word "hereafter" would be in this clause. In the one case, they wish to strike out a word, and in another case to insert a word, just, it appears, for the purpose of altering the Bill without affecting the meaning in the least degree.

Senator MILLEN (New South Wales) [8.15].—It is undesirable that the deliberations of this Committee should be assailed with the imputation that amendments are made merely for the purpose of inserting or striking out a word without desiring to affect the meaning of the Bill. The discussion that has already taken place furnishes a complete answer to Senator McGregor. The fact that there is a wide difference of opinion even amongst those who support the Bill as to what the clause means is ample justification for the discussion. If we are going to have such suggestions they will not be likely to tend to the smooth progress of our work, or to the speedy passage of legislation. Nothing has been said or done by honorable senators on this side of the Chamber that gives the slightest warrant for the suggestion that we are animated by any other desire than to make the Bill as workable as possible. It is in that spirit that I have acted, and I sincerely regret that the Minister has not accepted the amendment.

Senator CROFT (Western Australia) [8.16].—A number of honorable senators during the second-reading debate said that they supported the Bill because they thought it would have the effect of dealing with trusts and would prevent dumping, though the opinion was expressed that it would be unsuccessful in that respect. I feel quite sure that the measure will be wholly unsuccessful if the word "hereafter" is inserted. Suppose that to-morrow, as the result of this discussion, an agent for foreign firms entered into a large contract, extending over many years, with the result of flooding the Australian market with a particular kind of machinery for the next twenty years. It might be possible under the dumping clauses

to deal with such a contract; but it is not proposed to insert a word that would enable such a thing to be done. I hope that the Senate will reject the amendment, feeling certain that it would entirely annul a good that the clause might do, or any good that the anti-dumping clauses might effect.

Senator PULSFORD (New South Wales) [8.18].—Surely honorable senators will not be misled by a suggestion so ridiculous as that made by Senator Croft. Dumping is a business of a spasmodic character, and no one would dream of entering into an arrangement for dumping goods and losing money on them for twenty years. The suggestion is absurd.

Senator CROFT. — Does the honorable senator mean to say that warehouses do not make their contracts years ahead?

Senator PULSFORD.—No one would dream of contracting to lose money twenty years ahead. There is no reason to feel that a ridiculous contract of that kind would be made.

Senator CLEMONS (Tasmania) [8.20].—I can quite understand a member of this Committee who is disposed to think that the clause ought to be retrospective opposing this amendment, but I cannot understand a senator who does not adopt the view objecting to the insertion of a word which makes it perfectly clear to what extent the clause will operate. It may be urged, and I suppose it has been urged, that the insertion of the word "hereafter" is unnecessary, and that the clause as it stands is quite sufficient. I can quite understand a lawyer—if honorable senators can find such a man—who thought it desirable that Acts of Parliament should be passed containing provisions so ambiguous and doubtful in their meaning that they would give him an opportunity of getting some work, voting for such a provision. That, I think, would be the result if this clause were allowed to remain as it stands. Putting my own personal interpretation upon it, I should say that it is extremely likely that it will have a retrospective effect. I understand that Senator Playford has expressed the same view. I do not wonder at any man, applying the light of common sense to the clause, saying that it is possible that it may be retrospective. Whether it is desirable to make it retrospective or not, is a different question. But if there are members of the Committee who think that it ought not to be retrospective, I should say

that we, as a revising chamber, if we are nothing else, should insert words to make our meaning perfectly clear. Even if we do make the clause slightly redundant, it is better to do that than to let it remain ambiguous. It is better to express in the clearest language exactly what we mean, even if we have to put in one additional word in about 100, than to allow a clause to go the meaning of which is doubtful. Because, after all, the insertion of the word "hereafter" would not add very much to a clause of this length. It is very undesirable that we should pass a clause which has a retrospective effect. I shall certainly support the amendment, or some such amendment. Whether we insert the word "hereafter" or whether—if we wish to make the phraseology uniform—we adopt words which I notice are fairly common in this Bill, and say "after the commencement of this Act," is not material. At any rate, "hereafter" means the same thing.

Senator PLAYFORD (South Australia—Minister of Defence) [8.25].—Personally, I see no harm in the word "hereafter," but I have had an opportunity of consulting the Attorney-General, and he thinks that it would be redundant, that there is no necessity for it. He would prefer that the clause should pass as it stands. In his opinion, the clause is sufficiently clear. If honorable senators turn to clause 10 they will see that the point is made abundantly plain by the words "after the commencement of this Act."

Senator PEARCE (Western Australia) [8.26].—If this legislation is to be effective it must not be of the "kid glove" variety. The United States legislation is certainly not of that description, because, in some cases, special Acts have been passed to meet contracts in existence. We should make up our minds that if we pass the Bill it shall be in such a form as to deal with existing contracts. The Bill practically says that a combination in restraint of trade is illegal, and in Australia to-day there are such combinations by virtue of contracts or agreements. Are we to allow those contracts to remain in perpetuity, and thus create a favoured section, because it has been clever enough to commence operations before the passing of the Bill?

Senator DRAKE.—The amendment would not prevent such persons being reached.

Senator PEARCE.—But if the word "hereafter" be inserted it will place be-

yond the scope of the clause every combination in restraint of trade now in existence in the Commonwealth. The first part of the clause defines the scope, and then states the crime and provides the penalty. Sub-clause 2 thereupon declares that every contract—that is every contract which involves an offence—is illegal; not only punishable, but illegal.

Senator CLEMONS.—And yet the honorable senator has heard the Minister say that "hereafter" is redundant.

Senator PEARCE.—Yes. I do not think that this anti-trust legislation will be very effective in any case, but it will be a farce if we recognise existing combinations, which have their force by virtue of contracts. What is the secret of the power of the Standard Oil Company in Australia to-day, but the numerous contracts with grocers, who have bound themselves, in order to get an advantage, to take only the oil of that company for a certain length of time? Are those contracts to be allowed to continue?

Senator TRENWITH.—They certainly will continue, whether we put in "hereafter" or not, unless it be proved that they were entered into with a design to destroy an Australian industry.

Senator PEARCE.—The contracts I mention have a design to destroy the only industry opposed to the Standard Oil Company. One of the other oil companies import their oil in bulk, and the tinning and casing is an Australian industry, which is fast being destroyed by means of the rebates and contracts of the Standard Oil Company.

Senator MILLEN.—The position which the honorable senator is stating now will not be altered whether "hereafter" is inserted or not.

Senator PEARCE.—My reading of the clause is that on the passing of the Bill all contracts in restraint of trade, which come within clause 4, become illegal and void.

Senator DRAKE.—Even if they have been made before the passing of the Bill?

Senator PEARCE.—Either before or after. The Bill, in my opinion, is introduced for the purpose of breaking up combinations in restraint of trade. If a combination be a crime, is the Bill not intended to put an end to it, as well as to provide against similar combinations in the future?

Senator MULCAHY.—Surely there can be no doubt about that.

Senator PEARCE.—But honorable senators opposite are urging that "hereafter" should be inserted in order that those contracts may be allowed to continue.

Senator MULCAHY.—The idea is that the Bill shall not be retrospective in regard to punishment.

Senator PEARCE.—The punishment is provided for in another part of the clause, which goes on to provide that any such contract shall be null and void. Almost every grocer, I suppose, in Western Australia is trading under a contract with the Colonial Sugar Refining Company.

Senator PULSFORD.—There is no contract.

Senator PEARCE.—The honorable senator is speaking without authority, because there is an agreement.

Senator PULSFORD.—Which can be broken at any moment.

Senator PEARCE.—Yes; on the grocer forfeiting the amount of the rebate.

Senator PULSFORD.—That is very trifling. There is no contract.

Senator PEARCE.—It is not trifling, because, in some cases, the rebate amounts to upwards of £100.

Senator PULSFORD.—There is no contract.

Senator PEARCE.—A grocer showed me an agreement, which to me, as a layman, appeared very like a contract; at any rate, it is an agreement not to take the sugar of any other producer under a penalty of forfeiture of the rebate held by the company. I hope the Minister will not agree to the amendment.

Senator CLEMONS (Tasmania) [8.30].—I agree largely with what Senator Pearce has said, but I point out that, even if "hereafter" is inserted, all the honorable senator's objections are adequately met by the first part of the clause, which provides the very adequate penalty of £500. If there were a contract in existence at the present time, and an act was being committed under it in violation of paragraphs *a* and *b* of sub-clause 1 the penalty would still remain, no matter what words we may insert in sub-clause 2; and what Senator Pearce fears could not happen. But there is a difference between declaring such a contract absolutely illegal and void as to every single part of it, and removing an offence because it is committed under an existing contract. I think the penalty

ought to remain, but we go too far if we destroy every part of an existing contract, even a part which may be perfectly legal and square as between the parties.

Senator PLAYFORD.—The clause refers only to what is done in contravention of the Bill.

Senator CLEMONS.—That does not appear from the wording of sub-clause 2 according to which, if any part of a contract is in contravention of the clause, the whole of that contract becomes illegal and void. We must recognise that there may be many parts of a contract with which we should not want to interfere; and any part that is in contravention of the clause is void by the adequate penalty of £500. Senator Pearce, in his anxiety to make it perfect, is certain that no contract in contravention of the clause shall continue, goes too far, because he wants to destroy the whole of a good part of a contract, such as we would be perfectly willing to allow two citizens to enter into.

Senator PEARCE.—A contract is only affected by the Bill if it is in contravention of paragraphs *a* and *b* of sub-clause 1.

Senator CLEMONS.—If sub-clause 2 remains as at present, every part of any contract made in the past will be made null and void, whereas only a part of it may constitute an offence.

Senator PEARCE.—Why not insert some qualifying words making sub-clause 2 apply only to such contracts as are in contravention of the section?

Senator CLEMONS.—Any words that sort would suit me, but I do not think it is necessary to make null and void every contract entered into, it may be years or months before, simply in order to make sure that there shall be no contravention of the measure.

Senator DRAKE (Queensland) [8.35].—I think Senator Pearce is wrong in imagining that the existence of a contract would be a defence in the event of a person being charged under the Bill. Such a contract would be no defence.

Senator PEARCE.—I do not take that view that it would.

Senator DRAKE.—Senator Pearce assumes that people will go on committing offences right and left under existing contracts.

Senator PEARCE.—What I said was that an existing contract might continue, though fresh contracts could not be entered into if in contravention of the section.

Senator DRAKE.—An existing contract would not be a defence in the case of an injunction.

Senator PEARCE.—I never said it would.

Senator DRAKE.—An injunction would be sought to meet a certain case, but it would not necessarily void the contract. It is not wise to pass legislation making void a whole lot of contracts entered into previously. No one would know until a case came into Court whether a particular contract was void or not. Senator Millen presented a very strong illustration when he spoke of an agreement for the hire of machinery. Would Senator Pearce say that, in such a case, the hirer should be relieved of all obligation to take care of the machinery, pay rent for it, and hand it over at a certain time, or at the expiration of the contract?

Senator PEARCE. — There is need for other words to meet such a case, but not the word "hereafter."

Senator DRAKE.—We ought not to make previous contracts illegal, but provide that if anything illegal is done under them, it may be rectified, or persons punished. It is quite right and proper to declare that all contracts of the kind, made after the passing of the Bill, shall be illegal and void; but clearly previous contracts should not be made illegal by subsequent legislation.

Senator TRENWITH.—Sub-clause 2 only refers to contracts under which an offence has been committed.

Senator DRAKE.—I think that if the word "so" were inserted between "contract" and "made," the sub-clause would be perfectly clear, showing as it would that the contract referred to was a contract contemplated by the first part of the clause.

Senator TRENWITH.—Surely that amounts to the same thing.

Senator DRAKE.—I raised no difficulty in regard to sub-clause 2 until we heard so many speeches indicating that there is an intention to make it retrospective.

Senator PLAYFORD.—Not at all; it is not proposed to punish a man for anything done before the passing of the Bill.

Senator DRAKE.—The Minister clearly told us that, in his opinion, if anything in a contract made before the passing of the Bill was found to be in contravention of the Bill the contract would be void. Other honorable senators have expressed themselves very strongly in favour of making

it clear that it is intended that the Bill shall have retrospective operation. Those honorable senators are, I think, under a mistaken idea that if such contracts are not made void offences may be committed with impunity. I speak subject to the opinions of others, but I do not think that the existence of a contract would be any excuse for an offence. We should be very careful not to make void previous contracts, because we do not know to what extent we may be interfering with the rights of perfectly innocent persons.

Senator HENDERSON (Western Australia) [8.42].—I do not think there is any intention on the part of any honorable senator to make the provisions of this Bill retrospective; and by "retrospective" I wish to convey the ordinary meaning of the word, namely, that a man shall not be punished under this Bill for any act which prior to its passing was not an offence. I understand that the Bill is to apply to all existing contracts, and that the moment it passes those contracts which are in any way in contravention of its provisions will become illegal and void.

Senator DRAKE.—Contracts made before the passing of the Bill?

Senator HENDERSON.—It does not matter when the contracts were made; the Bill clearly applies to all contracts which are in existence when it becomes an operative factor in our legislation. If that were not so the Bill would be valueless. If we insert the word "hereafter," I am inclined to think that an existing contract would become a defence, and a tower of defence, in case of a charge being laid under the Bill, because the word would indicate that what was intended were contracts made after the passing of the measure. If, prior to the passing of a Bill, contracts were made which were bad and calculated to be injurious to Australian industries, then the word "hereafter," if inserted, would clearly perpetuate them. I hope that the Minister will adhere to the wording of the clause, because if the alteration were made, the danger of which Senator Drake spoke, might become an obstacle to the true application of the legislation.

Senator DOBSON (Tasmania) [8.46].—It appears to me that the sub-clause ought to read in this way—

Every contract, whether entered into before or after the passing of the Act in contravention of the Act shall be void so far as it is in contravention of the Act.

That would leave all other parts of the contract in full force and effect. We all know that there are not many trusts carrying on business in Australia. Suppose that in Australia there are two or three trusts, and that at this moment they have contracts with dozens of citizens, which tend to fix and regulate prices, and thereby stop free competition. Are we to pass a measure to regulate and control trusts, and, at the same time, to leave all those contracts absolutely sound and legal? I quite understand that a contract will not save a man from the illegality which he commits. If our desire is to put an end to trusts which do restrain trade and stop competition, why cannot we say that every contract which has that effect shall be void?

Senator PLAYFORD.—Because there is no necessity. The first part of the clause deals most effectively with all those persons.

Senator DOBSON.—That is where the argument of Senator Drake comes in.

Senator BEST.—As a matter of common law, every contract which is in unreasonable restraint of trade is bad.

Senator DOBSON.—But we are saving contracts which are made before the commencement of the Act.

Senator PLAYFORD.—We do not save them if they are made in contravention.

Senator DOBSON.—I should like Senator Keating to tell us what the Government think that the clause does mean.

Senator PEARCE (Western Australia) [8.50].—If any honorable senators wish to save existing contracts, so far as they are legal after the passing of the Act, what is really required is to add to the sub-clause the words "so far as they are in contravention of this section."

Senator PLAYFORD.—That is understood without putting it in.

Senator BEST.—What they want to say is that, "every existing contract, as far as it is in contravention of this section, shall be void."

Senator PEARCE.—Senator Best was not present when Senator Drake urged that certain contracts have already been entered into, which undoubtedly come within the meaning of paragraphs *a* and *b* of sub-clause 1, as regards certain provisions, but contain other provisions, relating to such matters as the care of the machines and the payment of rent, which are perfectly lawful, and which we do not want to declare void.

Senator BEST.—To carry out the honorable senator's idea, what I would suggest is the insertion of a new sub-clause to effect that "all existing contracts, so as they are in contravention of this section shall be void."

Senator PEARCE.—That would do.

Senator DOBSON.—But we are told the clause does not apply to existing contracts.

Senator PLAYFORD.—The first part of the clause applies to existing contracts combinations.

Senator PEARCE.—I think it different with an entirely different thing. I want to point out to Senator Best that Senator Drake, while taking that view, is supporting the insertion of the word "hereafter." That is not the way for the latter to accomplish what he is aiming at unless he wishes to perpetuate that part of the argument which is made unlawful by the Bill.

Senator DRAKE (Queensland) [8.50].—When we hear so many honorable senators, including the Minister of Defence, expressing the opinion that contracts made before the passing of the Act will be made null and void by the clause to the extent that they are in contravention of it, then I submit, to Senator Best is a very good reason for making assurance doubly sure by putting in the word "hereafter."

Question.—That the word "hereafter" proposed to be inserted be inserted—
The Committee divided.

Ayes	8
Noes	17
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Majority	9

AYES.

Baker, Sir R. C.	Pulsford, E.
Drake, J. G.	Walker, J. T.
Gray, J. P.	
Macfarlane, J.	Teller:
Millen, E. D.	Clemons, J. S.

NOES.

Best, R. W.	McGregor, G.
Croft, J. W.	Mulcahy, E.
de Largie, H.	Pearce, G. F.
Dobson, H.	Smith, M. S. C.
Findley, E.	Stewart, J. C.
Guthrie, R. S.	Story, W. H.
Henderson, G.	Styles, J.
Higgs, W. G.	Teller:
Keating, J. H.	O'Keefe, D. J.

PAIRS.

Gould, A. J.	Trenwith, W. A.
Symon, Sir J. H.	Playford, T.
Neild, J. C.	Dawson, A.

Question so resolved in the negative.

Amendment negatived.

Clause agreed to.

Clause 5—

1. Any foreign corporation, or trading or financial corporation, formed within the Commonwealth, which, either as principal or agent, makes or enters into any contract, or engages or continues in any combination—

(a) with intent to restrain trade or commerce within the Commonwealth to the detriment of the public; or

(b) with intent to destroy or injure by means of unfair competition any Australian industry, the preservation of which is advantageous to the Commonwealth, having due regard to the interests of producers, workers, and consumers,

is guilty of an offence.

Penalty: Five hundred pounds.

2. Every contract made or entered into in contravention of this section shall be absolutely illegal and void.

Senator DRAKE (Queensland) [8.59].

—In the opinion of a good many honorable senators this clause is *ultra vires*, because under the Constitution the Commonwealth has no power to deal with trade and commerce within a State. Holding the view I do, I shall vote against the clause as a whole. I do not think that any more important proposal has ever come before the Senate, because it is an attempt to interfere with trade in a State, which, in my opinion, is a matter reserved exclusively to the State Parliament by the Constitution. Although I intend to vote against the clause as a whole, still I do not care to lose the opportunity of moving an amendment similar to the one I proposed in a previous clause. It is more necessary in this clause, because if we have any power of interfering with trade concerns within a State, it is desirable that the provisions of this legislation should be applicable in cases where there is a combine to raise the prices of commodities. Throughout the Bill, the intention seems to be always to punish persons who sell things cheaply. In my opinion, it is desirable that they should come within the purview of the measure if they unfairly raise prices as well as lower them. Therefore I move—

That after the word "combination," line 5, the following new paragraph be inserted:—

"(aa) with intent to unduly raise the prices of commodities to the detriment of the public; or".

Senator BEST (Victoria) [9.2].—The amendment, although, apparently, innocent in itself, is certainly calculated to impair the effectiveness of this provision. Accord-

ing to all American cases, an attempt to unduly raise the price of commodities would be a restraint of trade. The amendment would cut down paragraph *a* because the latter might be taken to have a meaning different from "restraint of trade." It would shake the very full meaning which, by the American cases, is attached to restraint of trade. According to the Sherman Act, a mere agreement for the purpose of fixing prices at all, whether reasonable or unreasonable, is regarded as being in restraint of trade, and consequently illegal. Senator Drake wishes to pick out a proceeding which is manifestly included in that phrase. I hardly think he will deny that his proposal is most distinctly covered by paragraph *a*.

Senator DRAKE.—I do not admit that at all.

Senator BEST.—I have quoted a number of American cases which clearly show that the mere fixing of prices whether reasonable or unreasonable, is in restraint of trade.

Senator GRAY.—Does this provision carry out the American construction?

Senator BEST.—No; it is lighter than the American law. The Sherman Act of the United States declares to be illegal any restraint of trade, reasonable or unreasonable. According to English law, it is only an unreasonable restraint of trade that is illegal.

Senator GRAY.—If the banks combined to fix a rate of exchange, would that be illegal?

Senator BEST.—The mere fixing of a rate of discount or interest would not be an act in the restraint of trade. My contention is that, first of all, this amendment is covered by paragraph *a*, and, secondly, that to insert it here would be calculated to aggravate the wide effect of paragraph *a*.

Senator DRAKE (Queensland) [9.6].—I cannot admit that the amendment is covered by paragraph *a*. I do not think that a combination to raise prices would necessarily be held to be in restraint of trade. What I propose is the same term as is used in the Canadian Act; and, if fixing a price is to be held to be in restraint of trade, why has the Government inserted in clauses 7 and 8 the words—

the supply or price of any service, merchandise, or commodity.

Why not leave that under the heading of "restraint of trade"? At any rate, my amendment would make it quite clear that

it would be an offence to unduly raise the price of commodities in restraint of trade. I spoke in my second-reading speech of the possibility of a combination of coal merchants being formed to raise the price of coal. It might be that the requirements were so great at that time that the consumption of coal would go steadily up. How could it be held that the trade in that particular article had been restrained when the figures showed that the consumption was increasing? An increase of consumption, therefore, would prevent a conviction, whereas raising the price of commodities would be a thing that would be perfectly clear, and could be easily proved. I hope the Committee will seriously consider this matter, and will agree to this amendment.

Senator BEST (Victoria) [9.10].—I will mention the case to which I referred. It is the *Addyston Pipe and Steel Company v. The United States*. It was dealt with in 1889, and is reported in volume 175 of the United States Reports, page 211. The note I have here is—

Power to regulate Inter-State commerce includes power to interfere with and prohibit private contracts in restraint of such commerce. Combination of manufacturers and vendors to raise prices is in restraint of Inter-State trade.

Question—That the words proposed to be inserted be inserted—put. The Committee divided.

Aves	...	...	11
Noes	...	...	12
Majority	...	...	1

AYES.

Dobson, H.	Pearce, G. F.
Drake, J. G.	Pulsford, E.
Gray, J. P.	Smith, M. S. C.
Macfarlane, J.	Walker, J. T.
Millen, E. D.	Teller:
Mulcahy, E.	Clemons, J. S.

NOES.

Best, R. W.	O'Keefe, D. J.
Croft, J. W.	Stewart, J. C.
Findley, E.	Story, W. H.
Guthrie, R. S.	Styles, J.
Higgs, W. G.	Teller:
Keating, J. H.	Henderson, G.
McGregor, G.	

PAIRS.

Symon, Sir J. H.	Playford, T.
Gould, A. J.	Trenwith, W. A.
Neild, J. C.	de Largie, H.

Question so resolved in the negative.
Amendment negatived.

Senator DRAKE (Queensland) [9.15].—I must once more appeal to the Committee to consider clause 5. It appears to me to be perfectly clear that those who think that Parliament has power to pass that clause are relying upon an interpretation of paragraph xx. of section 51 that certainly does not give effect to the spirit of the Constitution. The argument comes down to this—that in consequence of the word "status" having been dropped out of paragraph xx. during the Convention the Government is prepared to take advantage of that drafting amendment and push the provision as far as it will possibly go. To do so is not in accordance with the spirit of the Constitution. Hitherto we have endeavoured to be careful not to encroach upon the States rights. The States have, in some instances, I think, assumed an unreasonable attitude with regard to what the Commonwealth has done. But if we do anything like this we shall give edge to the complaints of the States, because we shall interfere with them in a matter in regard to which they are naturally very jealous. Probably there are a few subjects upon which people are more "touchy" than their trading rights; and by this clause we are asserting a right to go into a State and interfere with its trading operations carried on within it in a manner that may lead to great difficulty. The Committee should put aside the views that have been expressed as to the proper construction of the Constitution, and should consider whether it is fair and right thing that we should in this way interfere with the trading rights of a State. The contention of those who are supporting the Government really depends upon an inaccurate, and what must call a tricky, interpretation of the Constitution. I do not for a moment think that the High Court would give the narrow interpretation to it. I feel perfectly certain that in accordance with the well-known rule that every Constitution shall be construed as a whole, the High Court would consider that paragraph x is subject to the general powers with regard to trade and commerce contained in paragraph 1. of section 51. If we want to ascertain what power we have in regard to trade and commerce, we must look exclusively to paragraph 1. of section 51 and to section 98. In the latter section, in regard to trade and commerce, the Constitution makes a distinction as clear

possible between the rights of the Commonwealth and the rights of the States, giving to the Commonwealth the matters that can best be controlled by it, and leaving to the States all domestic matters. That is the general rule that is observed throughout the Constitution. I submit that there is no departure from that rule with regard to trade and commerce. All trade between the States and between Australia and foreign countries is given to the control of the Commonwealth, but trading within a State is left exclusively to the State. We are here presuming to interfere with trading corporations within a State, making a distinct difference between the operations of corporations and the operations of trading firms. As I pointed out yesterday, there might be on two sides of one street a corporation and a private firm doing exactly the same kind of business; and if the view of the supporters of this clause be correct, one would be acting under Commonwealth law and the other under State law. That would cause more resentment on the part of the States than almost anything we have yet done. There is already sufficient trouble and friction between States and Commonwealth. We should not rashly add to it. I hope that the Committee, having an opportunity to reconsider the matter, will act wisely, and will not give the States any ground for further umbrage by passing a clause of this character.

Senator MULCAHY (Tasmania) [9.20].—We had yesterday a long debate upon this point, in which, as usually happens in regard to legal questions, the lawyers differed. Some extraordinary contentions were put forward by Senator Best, who held that if there was anything in the shape of a ridiculous anomaly in the Constitution, we should accept it loyally, and legislate to put it into effect.

Senator BEST.—No one suggested that there was a ridiculous anomaly.

Senator MULCAHY.—The honorable senator distinctly used the word "anomaly."

Senator BEST.—"Anomaly" not "ridiculous anomaly."

Senator MULCAHY.—It is our duty in legislating to act, not only in accordance with the letter, but also with the spirit of the Constitution. What was intended by the constitutional provision in question can be ascertained from the debates that took place. Having heard honorable senators

on each side, I was very much impressed by the arguments of Senator Symon and Senator Drake. But since then, I have had an opportunity to converse on this subject with two well known members of the legal profession, who are members of another place. One is a staunch supporter of the Government, and the other, although not a Government supporter, is recognised as an able lawyer. Both these gentlemen are strongly of opinion that if we pass this clause it will be *ultra vires*. Surely that should make us pause. The point is a very important one, and if it goes to a vote I shall have to support Senator Drake.

Senator PLAYFORD.—We cannot tell whether it is *ultra vires* until it goes before the High Court.

Senator MULCAHY.—Surely we should try to find out, and not make ourselves ridiculous?

Senator PLAYFORD.—Both the Attorney-General and Senator Best assure us that the clause is right.

Senator MULCAHY.—Senator Keating yesterday declared that we even had the power with regard to marriage to pass legislation making it unlawful for the wife and husband to carry on two different businesses.

Senator KEATING.—I did not declare anything of the kind. If the honorable senator's appreciation of Senator Best's argument is as clear as his appreciation of my point, he does not do it much justice.

Senator MULCAHY.—I am speaking from recollection.

Senator KEATING.—What I said was that we had full power to regulate the conditions as to marriage.

Senator DOBSON (Tasmania) [9.24].—The Committee has a right to expect that the legal colleague of the Minister in charge of the Bill will give us an opinion on this matter. It appears to me that the clause is absolutely unconstitutional, and I quite agree with Senator Drake that we have no right to pass it on the understanding that if it is *ultra vires*, the High Court can put us right. We do not desire legislation of the kind. We do not wish to give the High Court an excuse to interfere, or the citizens an excuse for saying we have taken away their States rights. Both Senators Baker and Symon pointed out that this clause must result in a position absolutely ridiculous.

Senator PLAYFORD.—We have had all this before.

Senator DOBSON.—I have not heard Senator Keating's view of the matter; and I should like to learn whether that honorable senator can justify the clause as it stands? If Senator Keating will say that this clause is constitutional, I shall sit down.

Senator KEATING.—Will the honorable senator accept my assurance?

Senator DOBSON. — I should like to hear the honorable senator's opinion.

Senator CLEMONS (Tasmania) [9.26]. —I am surprised to hear the Minister of Defence say that this question has been discussed. I have been here since clause 5 was called upon—

Senator PLAYFORD.—This question was discussed on clause 4 yesterday.

Senator CLEMONS.—I am glad I was not present when there was such an irregularity. In any case, I do not see why clause 5 should have been discussed on clause 4.

Senator KEATING.—Senator Symon introduced the question when discussing clause 4.

Senator CLEMONS.—Even so, I do not think it right.

Senator PLAYFORD.—Senator Symon introduced the subject on an amendment.

Senator CLEMONS. — However, the point is not of much importance. I entirely agree with what Senator Drake has said as to the States aspect of the clause. I certainly think it is wrong for us to interfere with the prerogative of the States, wherever the slightest doubt exists as to our power. In this case there is not the slightest doubt that we are doing what we ought not to do. I do not quarrel with the contents of the clause, but I most strongly object to our attempting to take away from the States any power which was left to them by the Constitution. I am a stranger to the arguments that were introduced yesterday, but I ask Senator Playford how he justifies—putting aside altogether the question of interference with the States—that which, while it does not apply to the wrongful acts of a single individual, seeks to make illegal similar acts when committed by a corporation? Senator Drake has given us an instance of what might happen under the clause. A corporation on one side of a street might be conducting its business under Commonwealth law, and a private firm on the other side might be engaged in similar operations under State law, each being competitors. Is Senator

Playford satisfied to allow private individuals to do what he decides is wrong on the part of corporations?

Senator PLAYFORD.—The answer is that, under the Constitution, we have power to deal with corporations, but not with individuals.

Senator CLEMONS.—But is the position satisfactory to Senator Playford? This Bill draws the attention of every individual in the community to the fact that he may legally do what the Commonwealth Parliament has declared to be wrong on the part of corporations. I cannot be a party to passing any part of a Bill which is so unwise, and so insulting, in my opinion, to the dignity of Parliament. It seems ridiculous for us to deliberately and advisedly say, that because we have power over corporations we will exercise that power, although we cannot touch individuals. A wrong does not consist in the person, but in the act done.

Senator MULCAHY.—We are inviting corporations to resolve themselves into individuals.

Senator CLEMONS.—Of course, and inviting people to resort to all sorts of subterfuges, which can only have the effect of making the law ridiculous. I do not suppose that any honorable senator thinks that an act is either better or worse when committed by a corporation than when committed by an individual, or *vice versa*.

Senator PLAYFORD. — Corporations are likely to be the more powerful and do the greater injury.

Senator CLEMONS.—I do not agree with Senator Playford.

Senator PLAYFORD.—Trusts and combinations are corporations.

Senator CLEMONS.—There is no difference between the acts of a person and the acts of a corporation; though, unfortunately for the purposes of this Bill, "person" includes "corporation." But does Senator Playford seriously suggest that we should proceed with this partial legislation, which cannot have any other result than to make us ridiculous? I make these remarks with the full indorsement of the desirability of the object of the clause. If it be good to stop the operations of injurious monopolies as between States, then it must be good to stop such operations within a single State. If it be shown that such legislation is beyond our power we should forego it regretfully, and not make ourselves ridiculous. But, sup-

posing we are not infringing any State rights, we shall become still the more ridiculous if we limit ourselves to one class of corporations. Rather than attempt to pass this partial, inadequate and incomplete legislation, it would be more consonant with the dignity of a legislative body to refrain altogether.

Senator MCGREGOR (South Australia) [9.30].—I regret that Senator Clemons did not hear the arguments on this question when clause 4 was discussed. The discussion yesterday was not quite irregular, because it took place on an amendment. The question that then struck me was—have we the necessary power, or have we not? I should like Senator Clemons to look at this matter closely, because, from a constitutional point of view, he might be able to enlighten some honorable senators. If we have the power to prevent foreign corporations, and trading and financial corporations formed within the limits of the Commonwealth, from doing wrong, and we have not power to prevent individuals from doing similar wrong, are we to refrain from passing preventive legislation in regard to the former?

Senator CLEMONS.—Undoubtedly; if we cannot pass an Act worthy of a place on the statute-book we should leave the matter alone.

Senator MCGREGOR. — We all agree that we cannot interfere in this connexion with individuals in a State. But I wish Senator Clemons to give some little consideration to paragraph xx. of section 51 of the Constitution, which deals with such corporations, as I have already indicated. If we have power to legislate with regard to those corporations, to what extent have we the power to legislate? The argument yesterday turned on the point of the original use of the word "status" in regard to those institutions. What does "status" mean? Nobody told us—neither Senator Drake, Senator Symon, nor Senator Baker. The latter honorable senator quoted from the Convention debates, but even they did not enlighten us as to the limit of our power to legislate.

Senator BEST.—There was some limit, because of the word "status," which, however, has been removed.

Senator MCGREGOR.—I should now like to call honorable senators' attention to a few little comparisons. The very next paragraph of section 51 gives us power, for the "peace, order, and good govern-

ment" of the Commonwealth, to legislate in the matter of marriage and divorce. Does that mean the "status" of marriage and divorce—the "status" of the man or the woman? Does that paragraph not give us power to deal with every phase of marriage and divorce, so far as the Commonwealth is concerned? If that be so, have we not the same power with respect to foreign corporations, and trading and financial corporations formed within the limits of the Commonwealth? Let honorable senators look at some of the paragraphs of section 51 of the Constitution in which limitations are imposed. Paragraph XIII., for example, gives the Commonwealth Parliament power to legislate with respect to

Banking, other than State banking; also State banking extending beyond the limits of the State concerned, the incorporation of banks, and the issue of paper money.

There is a limitation in that paragraph, but there is no limitation in the paragraphs relating to corporations, or to marriage and divorce, quarantine, and so forth. But, even where there is a limitation, have we not power under paragraph XIII. to deal with banking, from the foundation-stone to the top of the edifice, so far as the Commonwealth is concerned. Would it be considered an interference with States rights if we commenced to do so to-morrow? Even if we introduced a clause in the present Bill, could that be called an interference with States rights? We could be prevented from interfering with State banking in a State, but we might institute an Inter-State Bank, covering the whole Commonwealth. So far as each paragraph is concerned, our powers are unlimited, subject only to the reservations contained in each paragraph. I did not take part in the discussion yesterday, because I consider that clause 5 presents the proper opportunity. The Government have introduced a Bill in which they, as far as possible, deal with foreign and Inter-State corporations, companies, and combinations. The Government have not power to deal so completely with matters confined to any one State, but under paragraph xx. they have power to legislate with regard to foreign corporations and trading or financial corporations formed within the limits of the Commonwealth. I can quite imagine that the Government said, "Although we may not be able to prevent all the evils that are contemplated in the clause, we can prevent

them under the Constitution, so far as these corporations are concerned, and we shall do so." Clause 5 is now before us, and will Senator Clemons tell us, after looking at the Constitution, that we have not the power to pass such a provision? I do not want Senator Clemons to give a hasty answer, but to consider the point. If we have power with regard to banking, insurance, marriage and divorce—if every paragraph of section 51 gives complete power within itself—then under paragraph xx. we have power to pass this legislation, either as part of this Bill or in a special measure. Are there any institutions more likely to interfere with the trade of the States, or of the whole of the Commonwealth, than are foreign corporations and trading or financial corporations? The power of such institutions to interfere with the trade of the country is almost unlimited. I shall not attempt to give instances, although I could cite any number. As to whether it is wise to pass such legislation under the circumstances referred to by Senator Clemons, I am not prepared to argue with that honorable senator; but I believe that, where we can pass such preventive measures, we ought to do so, and that is why I express the hope that this clause will be passed without any alteration.

Senator PULSFORD (New South Wales) [9.42].—The clause before us is one of very grave importance. It would be a very good thing for the people of Australia to take note, as I am sure they will, of the views which are held by a number of honorable senators. In some of the States the people will, I think, be much surprised to find their representatives here prepared to "give them away" as States. I have here a statement by Mr. Nash, the financial editor of the *Sydney Daily Telegraph*, and one of the best-informed commercial men in Australia. It is as follows:—

It will be seen that the "person" can only be reached if the combination or monopoly extends beyond a State, but the corporations are to be reached at any point. The reason for this is apparently that the Commonwealth has powers to make laws for "foreign corporations and trading and financial corporations formed within the limits of the Commonwealth." But the power to make laws for foreign and local trading companies undoubtedly refers to company law, and not to place them under restraints differing from the private individual in respect to their right to trade. We altogether doubt the distinction which the Bill seeks to enforce in this particular, which would be quite inequitable.

The fact is that the Commonwealth has no power whatever to disturb the internal trade of any State. It can stop imports and exports on the coast, and can legislate for inter-State transfers, and there its power ceases. But take any important industry now in the hands of "corporations," the Commonwealth dare not stop it, as it would throw vast numbers out of work and injure producers and consumers. We are inclined to regard these provisions as little more than a farce. The Bill claims the power to paralyze monopolies and combinations, but we altogether doubt those claims ever being enforced.

That is a very strong expression of opinion about the clause, and I believe that it is thoroughly accurate. It certainly expresses the view which is held in New South Wales with regard to proposals such as are now made by the Government. In the debate has done no other good it has elicited from various senators the assertion that they are prepared to go beyond the limits of the Constitution, and to take powers which it has not bestowed upon them.

Senator PLAYFORD.—It is not fair to say that. They are not prepared to do that.

Senator PULSFORD.—The honorable senator now wants to repudiate that intention, but I think it has been made abundantly clear that the rights of the States are in great jeopardy, and, strange to say, they are in almost more danger from the Senate which specially represents the States than from the House of Representatives. I strongly urge honorable senators to think out the position before they go to meet the electors.

Senator O'KEEFE (Tasmania) [9.47].—It was not fair for Senator Pulsford to say that there are some senators who are prepared to go beyond the limits of the Constitution. There are some honorable senators who, in supporting the clause, are prepared to go further than he is, but that is entirely because their reading of the Constitution is different from his.

Senator PULSFORD.—I want to make that known.

Senator O'KEEFE.—No honorable senator who is going to vote on the opposite side to Senator Pulsford objects to that being made known. What I object to is the statement that I am prepared to go beyond the limits of the Constitution. When those who have been regarded amongst the leading lawyers in this Parliament take different sides on this point as they do on many other points arising

out of the interpretation of the Constitution, is it surprising that laymen should also take different views? The Attorney-General, Senator Keating, and Senator Best have expressed one view, while Senators Symon, Clemons, and Drake hold an entirely opposite opinion. If I, as a layman, find that there is any doubt as to the construction of a provision in the Constitution, I must apply my own common-sense, and read into the words that construction which appears the most feasible. Under paragraph xx. of section 51 of the Constitution, the Parliament is empowered to legislate with respect to—

foreign corporations, and trading or financial corporations formed within the limits of the Commonwealth.

It does not say whether the corporations shall extend beyond the limits of any one State or not. Then under paragraph xxxv. the Parliament has power to legislate with respect to—

conciliation and arbitration for the prevention and settlement of industrial disputes extending beyond the limits of any one State.

In that case, note, it is specially stated that the disputes shall extend beyond the limits of any one State. It has been contended by Senator Drake that it was never intended that Parliament should have power to deal with trading or financial corporations which are operating only within the limits of any one State. If that is the case, why was not the intention specifically mentioned in paragraph xx. as it is in paragraph xxxv.?

Senator DRAKE.—I contend that we cannot deal with them in regard to trade and commerce.

Senator O'KEEFE.—As a layman, I have to look at the face of the Constitution, and to put upon the words that construction which seems to me the most reasonable. When I find in some paragraphs of section 51 a specific statement as to what we can or cannot do, it seems to me, as a layman, that paragraph xx. gives us power to deal with various corporations within the limits of the Commonwealth, whether they are operating within a State or beyond its confines. I admit that Senator Drake put a very strong argument as to the wisdom of taking this step when he pointed out that although a corporation and a single individual might be acting in restraint of trade on opposite sides of a street, we would have power to deal with the corporation, but not with the individual. That argu-

ment does appeal to me; but there again I have to look at the matter from the stand-point of a layman. It seems to me that there is more likelihood of injury being done to the community in the matter of restraint of trade by a corporation than by an individual.

Senator CLEMONS.—If the clause is passed, and it is good, what will happen?

Senator O'KEEFE.—We shall have power to restrain the corporation.

Senator CLEMONS.—But supposing that we can, what will happen?

Senator O'KEEFE.—We will have power to stop corporations from doing that which we believe to be an injury to the community.

Senator CLEMONS.—We want to stop the thing being done, and not the persons doing it.

Senator O'KEEFE.—Exactly, and so far as we are empowered by the Constitution we shall stop the thing being done. We have not power, however, to deal with an individual so acting. If an individual is found to be acting in restraint of trade, or doing an injury to the community, it will remain for the State Parliament to interfere. We are not responsible for that anomaly; the responsibility rests with the framers of the Constitution.

Senator DRAKE.—A State Parliament has power to deal with both corporations and individuals when they are trading within its limits.

Senator O'KEEFE.—The fact that in this Bill we have exercised our power in regard to corporations may be an incentive to the States Parliaments to exercise their power in regard to individuals. I intend to vote for the clause as it stands.

Senator PEARCE (Western Australia) [p. 55].—When I read the Bill for the first time, clause 5 appeared to me to be *ultra vires*, but after listening to the debate I have come to the conclusion that, apparently, we have power to deal with foreign corporations, and trading and financial corporations formed within the limits of the Commonwealth, but that we cannot deal with individuals who may commit a like offence. Senator Pulsford has attempted to show that legislation of that character—passed in the exercise of a power which we believe we have—is an invasion of State rights. Such a contention is absolutely farcical. We can understand such charges being made by irresponsible

persons, but we have reason to pause when we hear them made on the floor of the Chamber. What is the position? It is contended that because we cannot reach one class of individuals we must therefore let all go free. We are not responsible for the drafting of the Constitution. We can do no more than exercise to the fullest extent our legislative power in this regard, and as in the case of the Commerce Act it will remain for the States Parliaments to supplement our legislation. It seems to me that there is a strong consensus of opinion in favour of the view that, constitutionally, we have the right to impose this restraint on foreign corporations, and trading or financial corporations formed, not within a State, but within the Commonwealth. The fact that we have no power to place a limitation upon individuals does not appeal to me as a reason why we should not exercise our power in regard to corporations; and the exercise of the power is not an invasion of State rights, but the mere performance of a duty which is intrusted to us by the Constitution.

Senator MILLEN (New South Wales) [10.0].—If we have power to restrain corporations from doing the public an injury, I shall be quite willing to exercise it. Therefore, I can, at least, say that in the arguments I am about to offer, I am not allowing the wish to be father to the thought. I have listened to the discussion with a view to satisfying myself as to the vote which ought to be given. It is contended that each one of the various legislative powers contained in section 51 must be regarded as separate and complete in itself, and that, therefore, while under paragraph 1., we have a general power with regard to trade and commerce, yet, under other paragraphs, we may also have trade and commerce powers, so far as they are carried on or affected by the particular individuals or subjects dealt with therein. Under paragraph xx., which deals with foreign corporations and trading or financial corporations formed within the limits of the Commonwealth, it is contended that we have absolute power to legislate—not merely as to the way in which corporations shall be formed and registered, or what particulars they may publish, but as to everything which they may do or refrain from doing. If we have the power to regulate the commercial and trading operations of a corpora-

tion, then I want to ask honorable senators where it will land us? Let us take, for instance, paragraph xxxv., dealing with conciliation and arbitration—

Conciliation and arbitration for the prevention and settlement of industrial disputes extending beyond the limits of any one State.

That is exactly on all-fours with paragraph 1., which reads—

Trade and commerce with other countries and among the States.

The two paragraphs are on all-fours, inasmuch as there is the same limitation which prevents us from legislating unless the subject-matter extends beyond the boundaries of any one State. I go a step further, and say that if having the power to deal with foreign corporations, we have the right to deal with their trading and commercial undertakings, so we should have the right to bring them under an arbitration law different from that which prevails for the benefit of the community. We could have an arbitration law which was limited by paragraph xxxv. to "industrial disputes extending beyond the limits of any one State," but if a corporation in Melbourne had a dispute with its employés, which did not extend beyond its own factory, we could not claim the right to bring it under our arbitration law, because we have full power to deal with corporations.

Senator DRAKE.—Hear, hear! The Minister of Defence and Senator Keating say that there is no stopping place.

Senator MILLEN.—There can be no half-way house in this matter. I was present when Senator Symon submitted his proposition by which he sought to measure the accuracy of the Government's intention, but I understand that Senator Keating agreed that any one married under Federal law—

Senator KEATING.—We have the full power to regulate the conditions of marriages and the consequences.

Senator MILLEN.—And not their trading?

Senator KEATING.—And our regulation might involve the question of separate trading.

Senator MILLEN.—That is exactly what I understood the matter—that we have the right to deal with marriages as with arbitration. Suppose that we passed a marriage law. If the contention of my honorable friend be correct, any one who was married under that law could be dealt with under the trade and commerce power. He

we a right to say to those who are married under a Federal law, "You shall be under certain trade restrictions within the State in which you live?"

Senator KEATING.—What I said was that we could attach certain conditions and consequences to marriage within the Commonwealth if we legislated with regard to that subject.

Senator DRAKE.—Even in regard to trading operations?

Senator KEATING.—They might affect trading operations.

Senator MILLEN.—Do honorable senators suppose that it was ever intended that the Commonwealth Parliament should have power to legislate with regard to marriage and divorce, so as to provide in a monstrously absurd fashion how people who were married should conduct their trade?

Senator PLAYFORD.—This is utterly absurd! Of course, it is possible to reduce anything to an absurdity.

Senator MILLEN.—It is not necessary for any one to make an effort to reduce things to an absurdity, so far as this Bill is concerned. I go back to my original instance. I ask Senator Best to say, if the interpretation that he gives of the point under discussion be correct, whether he will deny that we can, so far as foreign corporations are concerned, claim the right to deal with any industrial disputes that they may have?

Senator BEST. — Undoubtedly, I deny it.

Senator MILLEN.—If Senator Best affirms that each of the paragraphs in section 51 is absolutely complete in itself, and that so far as they give us power to legislate, we can legislate in and over and around the subjects, and if he then tells me that while we can restrain the trade of a foreign corporation, or a banking corporation, we cannot also deal with any industrial disputes which they may have—all that I can say is that his argument is utterly incomprehensible.

Senator O'KEEFE.—Does Senator MilLEN contend that if Senator Best's argument is correct, we have a right to deal with foreign corporations under the paragraph respecting conciliation and arbitration?

Senator MILLEN.—Exactly. We have absolute power to deal with a corporation, but we cannot touch it in respect of industrial disputes unless they extend from one State to another.

Senator O'KEEFE.—Section 51 lays down a limitation with regard to industrial disputes, but it does not make any limitation with regard to corporations.

Senator MILLEN.—We have absolute full and complete power to deal with foreign corporations restrained only by the limitations we find in section 51. We have absolute power to deal with foreign corporations in respect of disputes with employees limited by paragraph xxxv. We have absolute power to deal with the trading of a corporation limited by paragraph 1. If there is a limit in the one case there is in the other; and if there is no limit in the one case there can be none in the other. Yet Senator Best assures us, on his reputation as a lawyer, that while we must read paragraph xx. side by side with paragraph xxxv., dealing with conciliation and arbitration, we are under no obligation to read paragraph xx. side by side with the paragraph that deals with trade and commerce. I have never, in the course of not a few years of parliamentary experience, heard arguments put forward which have so little substance in them, but which at the same time have met with so rapid an acceptance. I can only assume that honorable senators have allowed the wish to father the thought before looking into the matter carefully, and arriving at a cautious conclusion. I am anxious to restrain corporations or any one else from doing a public injury. But I believe that in this case we are acting against the Constitution, and are trenching upon the domain of the States. I appeal to honorable senators to consider this matter very carefully. It has often been said that the special function of the Senate is to protect States rights. From that point of view this is a very serious matter. I believe that the majority of the members of the Senate recognise the obligation that rests upon this Chamber, and that if they could be shown that this was a provision that did entrench upon States rights they would be with me in resisting it. But there is a doubt; and what is our duty in that case? It appears to me that we, whose special function it is to protect States rights, should in a case of doubt hesitate until we have an opportunity of satisfying ourselves upon the question in dispute. I am not prepared to believe that the Government would desire to hurry honorable senators to a decision before there has been ample time to consider the point.

Senator PLAYFORD.—I wish there was a little hurry!

Senator MILLEN.—The Government has been trying to hurry matters, but more haste does not always mean more speed. The Minister cannot dispute my contention that there is a danger. If there has been any delay he has been largely responsible for resisting quite inoffensive amendments. I again appeal to honorable senators to recollect the special functions of this Chamber, and if there is a doubt, to give the benefit of it to the States whose interests they are supposed to protect.

Senator DRAKE (Queensland) [10.12].—There is another point which strengthens Senator Millen's argument. Paragraph xxxiii., of section 51 of the Constitution, gives us power to acquire, with the consent of a State, any railways of a State, on terms to be arranged between the Commonwealth and the State. Then paragraph xxxiv. gives us power with regard to railway construction and extension in any State with the consent of the State. There is power for the Commonwealth absolutely to acquire, and become the owner of railways.

Senator PEARCE.—With the consent of the State.

Senator DRAKE.—Upon the argument advanced by Senator Best and the Government, the Commonwealth possessing those railways would have full power over them with respect to trade and commerce. Yet we find if we turn to section 98 of the Constitution, that there is a special provision dealing directly with trade and commerce, with navigation and shipping, and with railways the property of a State. Paragraph xxxii. of section 51, gives the Commonwealth control of railways for naval and military purposes. The Constitution includes a special section to provide that our powers with regard to trade and commerce shall be extended in regard to those matters, showing how careful the framers of the Constitution were to express exactly what was meant by our trade and commerce powers. It seems to me to be perfectly clear that just as in regard to conciliation and arbitration, if we wish to know what powers we possess we must look to the paragraph dealing with the subject, so, if we want to know what powers we possess with regard to trade and commerce, we must look to paragraph 1, where we find that our power is to legislate with regard to trade and commerce with other countries and among the States.

Question—That clause 5 stand part of the Bill—put. The Committee divided.

Ayes	13
Noes	9

Majority	4
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AYES.

Best, R. W.	O'Keefe, D. J.
de Largie, H.	Smith, M. S. C.
Findley, E.	Stewart, J. C.
Guthrie, R. S.	Story, W. H.
Henderson, G.	Styles, J.
Keating, J. H.	<i>Teller:</i>
McGregor, G.	Croft, J. W.

NOES.

Baker, Sir R. C.	Millen, E. D.
Clemons, J. S.	Mulcahy, F.
Dobson, H.	Pulsford, E.
Drake, J. G.	<i>Teller:</i>
Macfarlane, J.	Walker, J. T.

PAIRS.

Playford, T.	Symon, Sir J. H.
Trenwith, W. A.	Gould, A. J.
Dawson, A.	Neild, J. C.
Pearce, G. F.	Gray, J. P.

Question so resolved in the affirmative.
Progress reported.

ADJOURNMENT.

ORDER OF BUSINESS.

Motion (by Senator PLAYFORD) proposed—

That the Senate do now adjourn.

Senator CLEMONS (Tasmania) [10.20].—A few days ago the Minister of Defence, who is the leader of this Chamber, made the following answer to a question as to the business to be dealt with by the Senate:—

The Australian Industries Preservation Bill will, unless something extraordinary takes place, be kept at the head of the notice-paper until it is disposed of.

There was a promise that, unless "something extraordinary" took place, the Bill with which we have been dealing to-night would be kept at the head of the notice-paper until it was disposed of. But the Minister, after giving his word to the Senate, broke it—unless he can show that "something extraordinary" did take place—in my absence. It was not courteous to me to say the least of it. I accepted the assurance that the Bill with which the Senate has been dealing to-night, would continue to be dealt with until it was disposed of. But last night the Minister suddenly had the order of the day for the resumption of the debate on the second reading of the Judiciary Bill called on, and that Bill was rushed through, and read a third time to-day. I hope that Senator

Playford will explain the matter in such a way that any honorable senator, whether taking up a friendly attitude towards the Government or not, will be able to accept his word when he makes a definite promise in regard to public business.

Senator PLAYFORD (South Australia—Minister of Defence) [10.21].—I certainly stated that I intended to keep the Australian Industries Preservation Bill at the head of the notice-paper, unless something special occurred. I do not know whether I said "something extraordinary."

Senator CLEMONS.—I quoted from *Hansard*.

Senator PLAYFORD.—If I did I meant "something special." The facts are that a gentleman known as the leader of the Opposition in another place called in question the action of the Government in not pushing on with the Judiciary Bill in the Senate; and the leader of the Opposition here was also desirous that the Judiciary Bill should be proceeded with. Furthermore, I did not bring on the Judiciary Bill without notice. I informed honorable senators that I intended to keep the Australian Industries Preservation Bill first on the notice-paper until the usual dinner adjournment yesterday, and that afterwards we would proceed with the Judiciary Bill. I gave clear and proper notice of that intention.

Senator CLEMONS.—No one who was not present in the Chamber would know of it.

Senator PLAYFORD.—Every member of the Senate is supposed to be here. What right have honorable senators to be away? If they are away they must take the consequences.

Senator CLEMONS.—They know now that they cannot take notice of the Minister's word.

Senator PLAYFORD.—I do not know that any other honorable senator would say that he could not take my word. What I said, or meant to say, was that unless something special occurred we would proceed with the Australian Industries Preservation Bill until it was disposed of. I did not depart from that determination until something special had occurred, and I gave notice to the Senate.

Senator O'KEEFE (Tasmania) [10.21].—Mr. President—

The PRESIDENT.—The Minister has replied.

Senator PLAYFORD.—I am perfectly willing to allow discussion to go on.

The PRESIDENT.—A senator who proposes a motion has the right of reply, but he cannot speak again unless some amendment has been moved.

Senator MILLEN.—Senator Playford rose while Senator Clemons was still speaking, and he can hardly be said to have spoken in reply.

The PRESIDENT.—Strictly speaking, according to the Standing Orders, the debate has finished, but if any one has been misled through Senator Playford speaking before the debate was really finished, I will allow it to be reopened.

Senator O'KEEFE.—I wish to say that yesterday, through not wishing to interpose to disturb the harmonious relations that existed, I made no strong objection to what was being done with regard to the Judiciary Bill. I was partly instrumental in leading Senator Clemons to believe that the Australian Industries Preservation Bill would be proceeded with, and that no other business would be brought on until that had been completed. Arrangements were made between Senator Clemons and myself, which did not necessitate his attendance here during the progress of that measure. Yet we are told that because the leader of the Opposition in another place, and the leader of the Opposition here, expressed a wish—

Senator PLAYFORD.—I do not say that the leader of the Opposition here expressed any wish. I told him what I proposed to do, and asked him whether he saw any objection, and he saw none. It is usual and courteous on the part of the representative of the Government to, as far as possible, consult the leader of the Opposition in regard to the conduct of business.

Senator O'KEEFE.—No doubt the leader of the Opposition would consent to the proposition made by the representative of the Government; but it seems to me that there was another consideration quite as important, namely, the understanding which had been arrived at previously. It is all very well for the leader of the Opposition in another place to appear just when he chooses, and upset arrangements which have been made not only in another place, but in this Chamber.

Senator PLAYFORD.—The leader of the Opposition in another place did not upset any arrangement.

Senator O'KEEFE.—There was a request made by the leader of the Opposition in another place that the Judiciary

Bill should be hurried on, though he did not give the slightest shadow of a reason for urgency, or for that measure being interposed during the progress of the Australian Industries Preservation Bill.

Senator PLAYFORD.—I gave due notice the day before.

Senator O'KEEFE.—But it was then too late to give notice, considering that senators had made arrangements on the faith of the understanding that had been arrived at. I am quite satisfied that the Minister of Defence had no intention to put honorable senators to any inconvenience; but, at the same time, it does not seem quite right that, simply because the leader of the Opposition, in another place, expressed a wish, a previous arrangement should be upset, and the members of the Senate put to inconvenience.

Senator PULSFORD.—I do not think that Mr. Reid made any request that would justify honorable senators taking up the position they have.

Senator PLAYFORD (South Australia—Minister of Defence) [10.26].—Mr. Reid did not make any request, but merely a suggestion. I have in this matter acted in all good faith, and taken the usual course under the circumstances. Complaint was made that the Judiciary Bill was not being pressed forward, and I saw the leader of the Opposition in this chamber, and said that on the following day, if he had no objection, I intended to consider the so-called Anti-Trust Bill until the dinner hour.

Senator CLEMONS.—How could the Minister of Defence do that after the final and definite statement he had made?

Senator PLAYFORD.—My "final and definite statement" was subject to conditions.

Senator CLEMONS.—Only if "something extraordinary" took place.

Senator PLAYFORD.—It was "extraordinary" to find the leader of the Opposition in another place.

Senator TRENWITH.—What has another place to do with the Senate?

Senator PLAYFORD.—I took the opportunity to inform the leader of the Opposition in the Senate what I proposed to do, and he saw no objection. Further, I rose in my place, and stated my intentions, and no honorable senator objected. I did what I thought was right and proper; and all I can say is that I am exceedingly sorry if honorable senators were unintentionally deceived or inconvenienced in any

way. Perhaps, the better way in future would be not to make any promise and thus avoid trouble.

Senator MILLEN.—Is it the intention of the Government in the future to acquiesce in Mr. Reid's suggestions as they have on this occasion?

Senator PLAYFORD.—I do not know. The Government always desire to conciliate the leader of the Opposition in any reasonable request.

Senator CLEMONS.—The Minister should not tell the leader of the Opposition in the Senate of the statement made the day before.

Senator PLAYFORD.—I should have said that the leader of the Opposition was present and heard the statement.

Senator CLEMONS.—I am sure he did not hear it.

Senator PLAYFORD.—All I can say is that I am very sorry if any honorable senator was deceived, or prevented from being present when an important Bill was under discussion.

Senator CLEMONS.—Of course I was deceived, or I should have been here.

Question resolved in the affirmative.

Senate adjourned at 10.30 p.m.

House of Representatives

Thursday, 23 August, 1906.

Mr. SPEAKER took the chair at 3.30 p.m. and read prayers.

FIRE INSURANCE BILL.

Mr. FRAZER.—Is the Prime Minister in a position to inform the House as to the date which will be set aside for the further consideration of the Fire Insurance Bill?

Mr. DEAKIN.—I am not able to say the date for the consideration of the Bill, but any other item of private business, but as has been the practice in the past, opportunities occur towards the close of the session, in the intervals of dealing with necessary Government measures, honorable members will be permitted to take advantage of them.

NORTHERN TERRITORY.

Sir LANGDON BONYTHON.—Has the attention of the Prime Minister been directed to the remarks made by the Honorable Mr. Solomon yesterday in the South Australia

Parliament, especially to the statement that the honorable and learned gentleman's recent utterances have shown that the question of transferring the Northern Territory to the Commonwealth has been shelved?

Mr. DEAKIN.—I have read the reported statements, which are entirely inaccurate, so far as they imply that the transfer of the Northern Territory to the Commonwealth has ceased to be a live question with this Government. As the honorable member knows, communications have been passing between this Government and the Government of South Australia, in addition to the correspondence on the subject of the transfer of the Northern Territory; but I recognise that, in view of the political crisis which may be imminent in South Australia, it would not be judicious to press matters unduly. I regret that the references to the matter appear not to have been made in the interest of either the Northern Territory, the Commonwealth, or South Australia.

Mr. GLYNN.—I should like to ask a further question of the Prime Minister, and, by way of explanation, I shall quote from the speech of the Prime Minister delivered upon the motion of the honorable member for Grev with reference to the transfer of the Northern Territory to the Commonwealth. The Prime Minister is reported at page 1068 of *Hansard*, of 5th July last, as having stated—

If they come down with a practical proposal, we will with pleasure and promptness submit the matter to this House. What we want to get from them—if I may be pardoned for saying so, with every respect for their previous letters on the subject—is a reasonable offer. I look upon the proposal, directing us to construct a railway, and dictating conditions with regard to it, as not being such an offer as we ought to be asked consider.

He said further—

I trust that we shall soon be able to deal with a business question in a business-like manner.

Are we to infer from the answer of the Prime Minister that negotiations are pending upon the basis of some new offer, or some suggestion for a variation of the old offer made to the Prime Minister?

Mr. DEAKIN.—The references which the honorable and learned member has quite correctly quoted, relate to the offer last laid before this House. It was then, and is still, the desire of the Government to obtain an offer worthy of submission to this House. This involves an alteration in some respects of the offer previously submitted. That offer, as the honorable

and learned member is aware, was based on a resolution carried in the South Australian Assembly. Since then, I have received a communication in writing from the South Australian Government directing my attention to the resolution, and certain other matters, and I have received the assent of my colleagues to a reply in which an attempt is made to bring the question to a more definite issue. In the meantime, other communications have been passing, and as soon as the prospects are of a satisfactory character, a reply which I hope will bring matters to a definite issue will be communicated to the South Australian Government.

PERSONAL EXPLANATIONS.

Mr. REID (East Sydney) [3.34].—With the indulgence of the House, and by way of personal explanation, I should like to call attention to the extraordinary perversion of some remarks which I made here on Tuesday last, in reference to the contingent vote proposal. These misrepresentations are becoming beyond endurance. I have here a copy of the *Hansard* report of my remarks, and of the pretended report of the *Melbourne Age*. While I was speaking, the honorable member for Kennedy interjected, as reported in *Hansard*—

In Queensland the electors were advised not to adopt the preferential voting system.

In the *Age*, his remark appears thus—

Mr. McDONALD.—In Queensland they apply it.

Mr. PAGE.—They do not.

Mr. REID.—I am referring to the fabrication of the *Age*. When an honorable member makes a statement, this newspaper twists his words in such a fashion as to convey a directly contrary meaning. If this were the only instance in which that had been done, I should be inclined, as we all are, to charitably suppose that a mistake had been made; but there are three deliberate alterations, one after the other, which make that supposition impossible.

Mr. FRAZER.—The honorable member is getting very sensitive in his old age.

Mr. REID.—No one is more sensitive than is the young honorable member for Kalgoorlie. We can all be philosophical about wrongs done to other people.

Mr. FRAZER.—I have sat quiet under very considerable criticism of my statements.

Mr. REID.—If the honorable member has done so, it must have caused him

great internal suffering. I went on to say, as reported in *Hansard*—

It is made optional in Queensland, and the electors have exercised the option by not expressing their preference.

The *Age*, however, reports me as saying—

I understand the Labour Party of Queensland makes good use of it.

That is the direct opposite of what I said. A little later the honorable member for Kennedy interjected—

The other side, also, says that it is not a good system.

To which I replied, as reported in *Hansard*—

Then the system is doubly condemned, if both sides take the same view, and refrain from availing themselves of it.

The *Age*, however, reports me as saying—

Then they have exercised the option.

That is the direct opposite of what I said. As in those three instances this newspaper has reported honorable members as saying exactly the opposite of what they did say, its conduct suggests something very serious.

Mr. PAGE.—The *Age* must have the right honorable member "set."

Mr. REID.—It is the same old "set"; no doubt, under the same old instructions. I wish now to refer to another matter in connexion with which I have reason to make a complaint. It is suggested in the *Age* that the honorable member for Melbourne Ports was responsible for the misquotation of a passage in my *Free-trade Essays*, about which I complained yesterday, because in a letter appearing in its columns this morning, signed "Your reporter," it is stated that the writer saw the honorable member during the afternoon, and took down what he read to him, afterwards attending his meeting, and checking the notes by what was said from the platform. The inference is, therefore, that the mistake was made by the honorable member for Melbourne Ports, not by himself. Strongly as we differ in our political views, I do not suppose that there is a man in the world who would accuse the honorable member for Melbourne Ports of reading out from a prepared document a quotation which was absolutely wrong, having been twisted. I acquit the honorable member of any such proceeding. By the frequency of their repetition, the abominable wrongs perpetrated by this newspaper are becoming notorious, and I deeply regret them.

It is a great pity that the statements made in this Chamber are deliberately twisted, and reported to the public in a form which makes honorable members appear to have said the reverse of what they have said. The press must be allowed the fullest liberty in deciding what shall be reported. It is entirely for its representatives to decide whether anything shall be reported; but when an honorable member's remarks are given, they should not be twisted—as, in the instance to which I have just referred, on three occasions—to make it appear that something has been said quite contrary to the remarks actually uttered. We remember the indignation of the Attorney-General, which dissolved the House in tears, when a slight reference was made to something of which he should be proud, although he took it as a reproach.

Mr. ISAACS.—I did not take it as a reproach; but I objected to the statement being made as a reproach.

Mr. REID.—A good many sympathized with the honorable and learned member, and cried over the occurrence with him. What he had to complain of was not, however, so bad as these instances in which the words of honorable members have been deliberately twisted to make them appear to have said the very opposite of what they did say. I do not think that there could be a worse offence on the part of a reporter. As to the attempt to put me forward as the enemy of Australian manufacturers, which the *Age* is constantly making, I should like, with the indulgence of the House, to make a short quotation from an essay which I wrote thirty-three years ago to show that I was perhaps the first in Australia to denounce the unpatriotic prejudice against colonial goods. In that essay I said—

The encouragement by consumers of industries which prove their utility by the production of good and cheap articles is a duty in which both free-traders and protectionists can and ought to heartily unite. Our local manufacturers have difficulties enough to contend with, without struggling, as they too often must, against the silly and unpatriotic prejudice which depreciates their goods, simply because they have been made in the colony. . . . If everybody were actuated as they ought to be by the desire to try a local article, it would be better for industries than a protective duty. . . . A little good feeling on the part of consumers towards local producers would accomplish all the benefit protection could give us in a far better form.

Those passages were written thirty-three years ago. Since then I have been fore-

most in joining a movement to decry this unpatriotic prejudice, and have addressed public meetings in Victoria in opposition to it. The *Age* therefore goes too far when it puts me forward as the enemy of Australian manufacturers, because I have my own ideas as to what is the best fiscal policy for this country.

Mr. RONALD.—Then, is the right honorable member a protectionist?

Mr. REID.—Surely a man may encourage Australian production without being a protectionist; and I have always done so in my personal expenditure. So far from having said, as in yesterday's *Age* I am reported to have said, that I admit that manufactures can exist here only with the aid of sweated and pauper labour, in the essay to which I have referred, which was written about the time when protection was first introduced in Victoria, I pointed out that there were in those days 1,020 manufactories here which were not indebted for their existence to a protective policy. I further pointed out, as I do again now, that the expressions of which I made use were directed to the examination of a proposition constantly put forward in the early days, though since abandoned. That proposition is that, if protective duties are imposed for a limited period, the industries which they protect will become strong enough to compete in the open markets of the world. In examining that proposition, I pointed out that our industries could compete in the open markets of the world only if we had cheaper raw material, which is impossible, better machinery, which could not be expected, or cheaper money, which is not likely. Then, referring to the subject of wages, I said that so long as Australian wages were higher than those of other countries, as I hoped they always would be, we could not regard with satisfaction the adoption of artificial methods for encouraging competition with the sweated industries of Europe. The honorable member for Melbourne Ports, when I referred to this matter on Tuesday, admitted that the industries which are protected here are those in which sweating occurs elsewhere.

Mr. MAUGER.—All Australian industries should be protected which have to compete with low-paid labour elsewhere.

Mr. REID.—At the time when my essay was written, the views in regard to what is now called the "new protection"

had not been ventilated. I wish my honorable friends who are opposed to me on this great question to believe that I chiefly regard what is best in the interests of the great masses of the people. I have no possible connexion with manufacturers or capitalists. My only desire in this matter is to do that which is in the best interests of the great mass of the people—the workers of this country.

Mr. DEAKIN (Ballarat—Minister of External Affairs) [3.45].—I also wish to make a personal explanation, lest, in consequence of the action of the right honorable gentleman, my own silence, and that of other honorable members, may be misunderstood. I do not challenge the right honorable gentleman's title to put himself right with this House and the country with regard to the statements to which he has referred. I take no objection whatever to that. I would only say that if I were to contradict the misrepresentations, equally gross and glaring, repeated continuously in some papers opposed to myself in Australia, I should have to claim the attention of honorable members at every sitting. I believe that the great bulk of the misrepresentations are made by mistake and unintentionally, and recognise that we have, in the interests of public business, to remain here and submit to being systematically misrepresented by newspapers, some in distant parts of the country. I wish it to be fully understood, however, that if we sit silent, it is not that we have no wish to put ourselves right, but that we feel that we must regard such misrepresentation as one of the necessary conditions of political life in this country. But, apart from this, statements that I have made in this House, in the presence of the right honorable member for East Sydney, and statements of mine which have appeared in print, which he must have read and could not misunderstand, have been quoted by him again and again in distinctly differing versions upon a dozen different occasions.

Mr. REID.—That is owing to the fact that the Prime Minister has expressed himself in different ways at different times.

Sir JOHN FORREST (Swan—Treasurer) [3.48].—I do not think that any member of this House has risen upon fewer occasions than I have to take exception to observations made with regard to myself personally. The right honorable member for East Sydney has taken exception, and very properly, too, to misrepresentations

which have been made with regard to himself. I can assure him that I have no sympathy whatever with any class of misrepresentations. I desire that we shall appear before the public as nearly as possible in our true character, and that statements that we have never made should not be attributed to us in this House or outside of it. I think that I have cause to complain of the right honorable gentleman himself. Not once, but on several occasions, in this House, have I sat silent whilst I have been grossly misrepresented, and whilst, I might say, my political character has been traduced by him. No one is able to charge me with having said anything personally derogatory to any honorable member, and I trust that no one will ever be able to reproach me with having said anything reflecting in the slightest degree on the personal character or honour of any honorable member. I should be ashamed to be a representative of the people in this House if I had resorted to any such tactics. I regret, however, that the right honorable gentleman has not treated me with the same courtesy and respect with which I have always treated him.

Mr. PAGE.—Did not the right honorable gentleman once call the members of the Labour Party "steerage passengers"?

Sir JOHN FORREST.—No, I never said any such thing.

Mr. SPEAKER. — I would direct attention to the fact that an honorable member is permitted to make a personal explanation only by the courtesy of the House. I think that any honorable member who has a personal explanation to make should be permitted to do so as nearly as possible in silence. Interjections are not only disorderly, but tend to waste the time of the House.

Mr. PAGE.—If in the course of a personal explanation an honorable member does not adhere to the truth, are we not at liberty to remind him he is departing from the facts.

Mr. SPEAKER.—An honorable member in the course of an explanation may, of course, make such statements as he pleases. Should he make any assertions that are not correct, this is not the time to take exception to them.

Sir JOHN FORREST.—I have no desire to make any statement that is not absolutely accurate, and if I should by any inadvertence depart in any respect from the facts I shall be much obliged if honor-

able members will correct me. Last night the right honorable member for East Sydney accused my colleague, the Postmaster-General, and myself of having entered into a conspiracy to hurl him from office. He stated that the Postmaster-General went to Western Australia for the special purpose of conferring with me in hatching that supposed conspiracy. He also said that I was accustomed to eat dust, or dirt.

Mr. REID.—No; I said that the right honorable gentleman had stated so.

Sir JOHN FORREST.—I deny that I ever made any such observation. If the honorable member can fasten upon me any statement to the effect that I had done so, I hope that he will do so. He also said that some portfolios had been allotted to members of the present Government before the Governor-General's speech was delivered at the opening of last session.

Mr. THOMAS.—What does it matter?

Sir JOHN FORREST.—It matters a great deal to me. I solemnly declare that when I entered the Senate Chamber at the opening of last session I had no more idea than the man in the street that we were to be met with a speech such as that delivered by the representative of the Crown.

Mr. REID.—I quite agree with the right honorable gentleman in that.

Sir JOHN FORREST.—I absolutely deny that the question of allotting portfolios or of taking office had ever been discussed.

Mr. DEAKIN.—Hear, hear!

Sir JOHN FORREST.—The right honorable gentleman also insinuated that he had something in reserve that would throw light upon the alleged conspiracy. I challenge him to produce anything that he may have in his cupboard that will reflect in any way upon myself or those with whom I am associated in the Government. The course of conduct followed by the right honorable gentleman may be all very well as an example of the way in which political warfare should be carried on, but I hope that no one will ever be able to say that I asserted that I held in reserve some information that would reflect upon the character of an honorable member, when I had nothing of the kind. I sympathize with the right honorable gentleman, or any one else who may have been misrepresented, but I would remind him that, while he complains almost daily of being misrepresented, he should not traduce

others who throughout their long political career have endeavoured to do their duty and to do right.

Mr. SPEAKER.—I desire to read the standing order relating to personal explanations. Standing order 260 reads as follows:—

A member who has spoken to a question may again be heard, to explain himself in regard to some material part of his speech which has been misquoted or misunderstood, but shall not introduce any new matter, or interrupt any member in possession of the Chair, and no debatable matter shall be brought forward or debate arise upon such explanation.

I must ask all honorable members to keep within that standing order. Otherwise personal explanations will degenerate into irregular, most improper, and unprofitable discussions.

NAVIGATION COMMISSION.

Mr. BAMFORD.—I desire to ask the Prime Minister whether he has any statement to make with regard to the attitude of the Government in connexion with the report of the Navigation Commission? The report has been laid upon the table for some time, and I am sure that honorable members will be glad to know the intentions of the Government with regard to it.

Mr. DEAKIN.—The honorable member is probably aware that we have been invited to send representatives to a conference to be held in London in the early part of next year, at which it is hoped not only the mother country, but her dependencies, will be represented, and at which the whole of the navigation laws of the Empire will be considered. The Government propose to send representatives to that conference. Beyond that, no action has been taken.

DEATH OF TELEGRAPHIC FOREMAN.

Mr. MAUGER.—I desire to know whether the Postmaster-General has been made aware of the fact that a telegraphic foreman met with a fatal accident this morning, and, further, whether he will make the fullest inquiry into the facts surrounding the accident, with a view to ascertaining, among other things, whether the late workman was reported as unfit, on account of deafness, to engage in such perilous work?

Mr. AUSTIN CHAPMAN.—Full inquiries will be made.

CONDENSER TELEPHONE SERVICES.

Mr. PAGE.—I desire to know whether the Postmaster-General can supply the information asked for by me with regard to the proposed new charges for condenser telephone services in western Queensland and western New South Wales? He must know whether the charges are to be reduced, and I desire information upon that subject before the Estimates of the Post and Telegraph Department are considered. If the Postmaster-General has the information up his sleeve, he may as well communicate it to honorable members.

Mr. AUSTIN CHAPMAN.—I shall be very pleased to furnish the honorable member with the information desired before the Estimates are discussed.

TARIFF COMMISSION'S REPORTS.

Sir JOHN QUICK.—I wish to know whether the Prime Minister is in a position to make any definite announcement as to when the House will go into a Committee of Ways and Means to consider the proposals of the Tariff Commission with respect to the duties upon agricultural implements and stripper-harvesters? I would point out that it may facilitate business, and, probably, lead to the early presentation of other reports, if the Commission are stimulated by the knowledge that the Government are determined that the reports already submitted to the House shall be considered at the earliest possible moment.

Mr. DEAKIN.—I hope that the reports referred to will be considered early next week.

RE-INTRODUCTION OF EXPORTED PRODUCE.

Mr. REID asked the Minister of Trade and Customs, *upon notice*—

1. Has a regulation recently been approved by the Governor-General in Council, on his recommendation, which gives the Minister power to prohibit produce grown in the Commonwealth and exported, from being admitted to the Commonwealth again?

2. If so, will he be good enough to state the circumstances which have been held to justify the passing of this regulation?

Mr. DEAKIN.—The answers to the right honorable member's questions are as follow:—

1. The regulation referred to by the right honorable member does not purport to give the Minister power to prohibit the re-introduction to

the Commonwealth of Australian goods, but imposes as a condition precedent to the re-admission free of duty of such goods that—

"The Minister must be satisfied that the re-importation or bringing back of the goods will not unfairly disturb the market for the goods in Australia generally, or in the place or town where the goods are proposed to be landed."

2. The regulation was considered to be required by the necessities of trade.

Mr. REID.—In the case of Australian goods which have gone away from Australia, and come back to it?

Mr. DEAKIN.—Yes.

LITHGOW POST OFFICE.

Mr. JOSEPH COOK asked the Postmaster-General, *upon notice*—

1. What is the population of Lithgow?
2. What is the amount of the earnings of the Post-office for last year?
3. What is the estimated value of the Post-office buildings?

Mr. AUSTIN CHAPMAN.—In answer to the honorable member's question, I have to say that inquiries are being made, and answers will be furnished as soon as possible.

INSPECTOR-GENERAL OF MILITARY FORCES.

Mr. REID asked the Minister representing the Minister of Defence, *upon notice*—

Whether the Government have decided upon the appointment of any officer to succeed General Finn as the Inspector-General of Forces; and, if so, have they been assisted by the advice of military experts either in Australia, or in Great Britain, or in any other part of the world?

Mr. EWING.—In answer to the right honorable member's question, I have to state that the Government have decided upon the appointment of an officer to succeed Major-General Finn as Inspector-General of the Commonwealth Military Forces, and will lay before the House a full statement of the reasons for their action when the Defence Estimates are under consideration.

Mr. REID.—In the meantime, will the Minister be good enough to answer my question? Has expert advice been taken?

Mr. EWING.—If the right honorable member will give notice of any other question upon which he desires to obtain further information, I will institute the necessary inquiry.

Mr. REID.—I have already asked the question, but I will repeat it for tomorrow.

PAPERS.

Mr. EWING laid upon the table following papers:—

Amended regulation relating to cadet corps, paragraph 22, Statutory Rules 1906, No. 1; amended regulations relating to the retirement of warrant and non-commissioned officers, paragraph 123, Statutory Rules 1906, No. 59; paragraphs 175, 176, 181, &c., Statutory Rules 1906, No. 58; amended financial and allowance regulations, paragraphs 103, 113, 174, Statutory Rules 1906, No. 60.

JUDICIARY BILL.

Bill returned from the Senate without amendment.

EVASIVE REPLIES TO QUESTIONS.

Mr. PAGE.—Upon a point of order, I desire to know whether there is no way of enforcing direct replies by Ministers to questions which are put to them? I have already had occasion to complain of the difficulty of obtaining information from the Government regarding the defence estimates, and other honorable members have experienced the same trouble. It seems to me that, in defence matters particularly, the questions which are put by honorable members are always evaded. Why it is I do not know.

Mr. SPEAKER.—No point of order involved in the observations of the honorable member. I have no control over answers to questions which are given by Ministers. There are various ways in which honorable members can deal with the matter to which reference has been made if they so desire.

PREFERENTIAL BALLOT BILL.

SECOND READING.

Mr. GROOM (Darling Downs—Minister of Home Affairs) [4.3].—I move—

That the Bill be now read a second time. The object of the Government is to enable the majority of the electors in the various constituencies, through the medium of the ballot-box, to record the order of their preference in respect of the several candidates who seek their suffrage. It is my opinion that the electors should be given an opportunity of expressing their opinions of the various candidates so as to secure representation by majorities, in order that the laws which are enacted by their parliamentary representatives may truly reflect the views of the majority of the electors. That is the object of the Bill.

of the Bill. The fundamental principle underlying our electoral system, so far as the House of Representatives is concerned, is that of single electorates. The whole of the Commonwealth has been divided into single electorates, and the principle of the Electoral Act is that there shall be, as nearly as possible, an equal number of voters in each constituency. Of course, as honorable members are aware, a variation is allowed from the quota under certain conditions. That is the fundamental principle underlying representation in this House—that we shall have single electorates in accordance with the provisions of the Electoral Act. This Bill does not seek to interfere with that principle, but it aims at affording the majority of the electors in each of the electoral units throughout the Commonwealth an opportunity of recording the order of their preference in respect of the candidates who present themselves for election—the idea being that each successful candidate may represent a majority in the electorate. The Bill has not been introduced from any party motives. It is a measure which is submitted upon its merits. We constantly hear the statement made that in Australia we should endeavour to secure the enactment of laws which truly reflect the will of a majority of the people. In other words, appeals are constantly being made for majority rule.

Mr. DUGALD THOMSON.—We shall have to get the electors to vote before we can insure that.

Mr. GROOM.—I am aware that that is the objection which is raised by those with whom the honorable member is associated politically. At the present time, it is quite possible that a member of this House may be returned by a minority.

Mr. THOMAS.—Does this Bill provide for compulsory voting?

Mr. GROOM.—No. It is not our desire to compel an elector to record a vote against any candidate, but we do desire to afford every elector an opportunity to record his vote in such a way that he may express his opinion upon the merits of the candidates. Under this Bill it will be entirely optional with him whether he does that or not. If he chooses to abstain from doing so, we can utter no complaint.

Mr. HIGGINS.—Is not that the system which is in vogue in Queensland?

Mr. GROOM.—I will deal with that point presently.

Mr. PAGE.—I hope that the Minister will give the House his experience as a lawyer of the Queensland system.

Mr. GROOM.—I have no objection to giving my experiences in that connexion. Several alternative schemes have been suggested. For instance, it has been suggested that we should adopt what is known as the "second ballot," with the French system as a model. But I do not think that that system can be considered a satisfactory one from an Australian stand-point. Under it an election takes place upon a certain day. A number of candidates present themselves, and no candidate can be elected unless he obtains an absolute majority of the votes recorded. If he does not secure an absolute majority, a second poll is taken at a later date. No restriction is imposed as to the number of candidates who may come forward, and upon the second ballot the individual who heads the poll is declared elected irrespective of whether he has obtained an absolute majority of the votes cast or not. That system has been adversely criticised. Another suggestion was that in the event of no candidate securing an absolute majority at an election, we should take a second ballot at a later date and allow the electors to pronounce their verdict in respect of the claims of the two candidates only who headed the first poll. But honorable members must recollect that we have to provide an electoral system for a continent in which the population is exceedingly scattered. It will readily be recognised that if we adopted the system which I have just outlined, a period varying from a fortnight to eight weeks—according to the exigencies of the case—would have to elapse before the second poll could be taken. Take the electorate of Grey as an example. The chief polling centre in that constituency is Petersburg, situated in the southern portion of South Australia, but a great many other polling places are located in the Northern Territory, so that before we could get the electoral machinery into operation to enable the second ballot to be taken a long interval must necessarily elapse, during which there would be confusion, turmoil, and uncertainty. It therefore seemed to the Government that there are very grave, practical, difficulties—apart from the question of expense—in the way of the adoption of a second

ballot. It would be found that the expense of holding a second election in a division would be quite as great as in the case of the first election. I have taken the trouble to ascertain the number of constituencies which would have been affected at the last election if the system had been in vogue. I find that there were no less than thirteen.

Mr. PAGE.—That is not many.

Mr. GROOM.—It is a fair number, considering that there are only 75 constituencies all told.

Mr. PAGE.—What were the names of those constituencies?

Mr. GROOM.—There were two in Tasmania, two in Queensland, and nine in Victoria.

Mr. DUGALD THOMSON.—Were there none in New South Wales?

Mr. GROOM.—No; but there is just as much chance of a New South Wales constituency being affected in the way I have indicated as there is of an electorate in any other State. The other day the right honorable member for East Sydney made certain suggestions as to why this particular measure had been introduced. I wish to assure him that this Bill has not been submitted as the result of any outside influence.

Mr. REID.—When did the Government decide to introduce it?

Mr. GROOM.—It has been under consideration for some time. The right honorable member is very sensitive when motives are imputed to him, and is always desiring us to credit him with angelic sweetness. Under the circumstances he ought not to object to credit others with a little touch of that purity which characterizes himself. The right honorable member has recently concluded a magnificent tour, during which the one principle which he strongly advocated was that of majority rule. Upon every platform he has appealed to the electors to speak at the ballot-box as a majority in order that laws might be enacted which would truly reflect the popular will.

Mr. McLEAN.—Was it his speeches which converted the Government?

Mr. GROOM.—There is no need for the Government to send any of its members to address meetings at the various centres which have been visited by the right honorable member. His speeches have had a very natural effect.

Mr. REID.—Yet the supporters of the Government would not have granted me leave of absence if they could have avoided it.

Mr. GROOM.—We find that wherever the right honorable member goes he does the work of the Government admirably. I do not think that he disputes the proposition that he has been expressing a desire for majority rule, and we are asking him now to assist us in placing on the statute-book a measure which will enable a representative of the majority of the electors in each electorate to be returned to this House.

Mr. DUGALD THOMSON.—If it be shown that the Bill will not enable that to be done, will the Government abandon it?

Mr. GROOM.—Our contention is that the Bill will enable the will of the majority to be expressed. This could not be done, except at very great expense and inconvenience to the electors, by means of a second ballot. The Bill is necessary to enable the electors to accomplish at the one operation all that they could do by means of a second ballot.

Mr. McDONALD.—How many members of the Queensland Parliament represent a majority?

Mr. GROOM.—The contingent vote has been in operation in Queensland for some time.

Mr. JOHNSON.—Has it been used?

Mr. GROOM.—Yes; it has affected no less than five electorates.

Mr. THOMAS.—In fourteen years.

Mr. GROOM.—That is so. If the principle be a sound one, there is no reason why the Commonwealth should refrain from adopting it, simply because it has not been availed of to any extent in Queensland. We ask honorable members to express their opinions upon the inherent merits of this measure, which is admittedly a non-party one.

Mr. McDONALD.—The number of members of the Queensland Parliament who represent a minority vote is greater than the number representing a minority in this Legislature.

Mr. GROOM.—It is true that in Queensland the contingent vote has not been exercised as fully as was anticipated, but still the Statute in question remains in force. All democrats ask for majority representation. I do not think that there is one honorable member of this House who would say that he desires to hold his seat as the result of a minority vote.

Mr. HIGGINS.—Are there three or two parties in the Queensland Legislative Assembly?

Mr. McDONALD.—There are now four parties.

Mr. GROOM.—I do not interfere with State politics, and have not attempted to classify the number of parties in the Queensland Legislative Assembly. Let us assume, however, that there are three. In some instances the contingent vote has been exercised there, and a different result obtained on the second count. We do not desire to restrict the choice of the electors; our desire is that there shall be no interference with their choice, and we think that we ought to give them the widest possible selection. This Bill has been introduced with that object in view. At present the choice of the electors is restricted. If there are three candidates for one electorate, the electors are able to exercise their choice in respect of only one of the three. They have no option. The result is that a candidate may be elected who represents only a minority of the electors. That state of affairs may be removed by the adoption of the system provided for in this Bill. I have circulated amongst honorable members a memorandum showing exactly the method pursued under this measure.

Mr. DUGALD THOMSON.—The example given in that memorandum does not necessarily show majority rule.

Mr. GROOM.—It illustrates the working of the principle. Under the Queensland system, if four candidates stand for a single electorate, the elector exercises his option by casting his primary vote for the candidate of his first choice. Having done that, he may place the figures 2, 3, and 4, in the order of his preference, opposite the names of the other candidates. But when the scrutiny is made cognizance is taken only of the first two candidates on the poll; the other two are declared defeated.

Mr. POYNTON.—Supposing that an elector does not exercise the option offered him under this Bill, and votes for only one candidate?

Mr. GROOM.—Under the Queensland law an elector may cast his primary vote for one candidate, and refuse to exercise his option to declare his order of preference for the remaining ones. Under the Queensland system the two candidates lowest on the list are declared to be defeated, and the contingent vote is allotted

to the first two, according to the preferences. The one who secures the larger vote of primary and contingent votes, when added together, is declared elected. This Bill, however, embodies a modification of the principle. When there are four candidates under the system proposed in this Bill, the candidate who is third on the poll might, after the preferences have been taken into account, be placed first on the list. We propose to allow every elector to exercise, in addition to his primary vote, a contingent vote. The elector will vote for the candidate of his first choice by putting opposite the name of such candidate the figure 1. If there are three other candidates, he will place opposite their names, in the order of his preference, the figures 2, 3, and 4. If, on the first count, it is found that one candidate has obtained an absolute majority—that is, one more than half the number of votes polled—he can be said to truly represent the majority of the electors, and he is accordingly declared duly elected; but if no candidate obtains an absolute majority it becomes necessary to strike out from the count the candidate lowest on the list. The reason for this is that the electors have pronounced their judgment—they have shown that he is the least favoured—and accordingly he must drop out of the count.

Mr. HIGGINS.—But the man who is last on the first count might be first on the second.

Mr. GROOM.—The first votes only are taken into consideration. As I have said, the candidate lowest on the list drops out, and all the ballot-papers on which No. 1 has been marked opposite his name are taken into account. The contingent votes of the electors who voted for the candidate who is lowest on the count in the first instance, are then distributed among the other candidates not excluded.

Mr. POYNTON.—What value is placed on the second vote under this Bill?

Mr. GROOM.—In the case I have cited it would have the same value as a primary vote, because it would represent the opinion of the individual elector as to who should be chosen to represent him. Under this system the result will be the same as if a second ballot were taken.

Mr. POYNTON.—Then there is no proportional value?

Mr. GROOM.—No. The system amounts really to a series of plumping

votes, enabling the absolute will of the majority to be obtained in the final selection of candidates.

Mr. POYNTON.—How can that be possible while the elector is allowed an option?

Mr. GROOM.—We do not compel the electors to vote. Even if we provided for a second ballot, we could not compel them to go to the poll a second time.

Mr. BATCHELOR.—Nor could we compel them to go to the poll at the first ballot.

Mr. GROOM.—That is so. The experience of France in this respect has been rather remarkable. I find, on inquiry, that in some instances the number of electors who vote at the second ballot is exceedingly small — far below the number voting at the first. We desire to enable the electors to secure at the one operation the full advantage of a second ballot, without incurring the great expense and inconvenience which a second ballot would involve. The scheme is practical, convenient, inexpensive, and effective.

Mr. JOHNSON. — The intention is all right; but there is a difficulty as to the method.

Mr. GROOM. — The method will be found satisfactory.

Mr. JOHNSON.—There is a difference of opinion on that point.

Mr. DUGALD THOMSON. -- Will it not offer a premium to organized parties to abstain from casting their second votes, whilst inducing others to give second votes in favour of their candidate?

Mr. GROOM.—We have cliques and organizations in connexion with every election.

Mr. DUGALD THOMSON.—That is why the system has been abandoned in Queensland.

Mr. GROOM.—It is still used in some instances. If some electors fail to exercise their option, that is no reason why the electors generally should be deprived of the right to have a voice in the final selection of their representative.

Mr. McLEAN.—Have the electors asked for this Bill?

Mr. GROOM. — The honorable member's party has asked for majority rule, and we think that we should give the people an opportunity to secure it.

Mr. McLEAN.—This Bill will not secure majority rule.

Mr. THOMAS.—We shall have to change the opinions of the people before we obtain majority rule.

Mr. GROOM.—In the first place, the primary votes are counted, and the candidate lowest on the count is excluded. Then the preferential votes on the ballot-papers cast in favour of the candidate lowest on the list are taken into consideration on each successive count until after one, two or three counts, as the case may be, a candidate who truly represents the will of the majority is returned. Successive counts are made until a candidate obtains an absolute majority, the lowest candidate or each successive candidate in turn being excluded.

Mr. HIGGINS.—If the fourth man is struck out of the list, are his ² votes treated as first votes?

Mr. GROOM.—They are. The tables in the statement circulated demonstrate this. The same principle applies after the third man on the list has been struck out of the count, and only two candidates remain. The preferences of all the electors who have voted for the third and fourth candidates are taken into consideration in allotting the votes to the two remaining candidates. Each ballot-paper is counted in every count, so long as a preference is indicated on it. The method is simplicity itself. An elector receives a ballot-paper bearing the names of all the candidates with a square opposite each, and all that he has to do is to record his preference by placing the figures 1, 2, 3, and 4. opposite the names. As the honorable member for Barrier very properly reminds me, a labour plebiscite was recently taken in Victoria to select three candidates for the Senate at the next general election. Twenty-three nominations were received, and the members of the political labour leagues recorded their votes in the order of their preference. Notwithstanding, the number of candidates, there was but a small percentage of informalities.

Mr. THOMAS.—As there were twenty-three candidates in that case, and only three were required to be selected, why should it not be possible to apply this system to elections for the Senate as well as for the House of Representatives?

Mr. GROOM.—No trouble will be experienced by the electors. They have only to place the figures 1, 2, 3, 4, and so forth, opposite the names of the candidates in the order of their choice. But a great many questions have to be considered in dealing with any alteration of the method of voting for the election of senators.

For instance, it has to be determined whether the representation shall be proportional, and which of a number of systems shall be adopted. The discussion and settlement of these questions would occupy a great deal of time, and our desire is to do now what is practicable under the circumstances; that is, to apply the principle of preferential voting to the election for representatives in this House, where each member represents a single electoral division. Of course, if the Senate is prepared to deal summarily and quickly with the system under which its members are chosen, and to provide for preferential voting in this Bill, we see no reason why they should not; but we think that so many conflicting questions must be dealt with before any alteration of the present system can be agreed upon that we are not prepared to go further than is provided for in the Bill.

Mr. DUGALD THOMSON.—Then there will be two systems of voting on the same day, and in the same booths.

Mr. GROOM.—Yes; but I do not think that that will create any practical difficulty.

Mr. DUGALD THOMSON.—I think that it will.

Mr. GROOM.—Experience shows that the electors exercise the franchise very intelligently, the informalities being relatively very few.

Mr. DUGALD THOMSON.—There will be two different ballot-papers.

Mr. GROOM.—On each ballot-paper can be printed directions showing how it must be used.

Mr. JOHNSON.—Some of the electors may think that, in placing the figures 1, 2, 3, or 4 opposite the names of candidates, they are allotting to them so many votes, and will thus be led to indicate a preference contrary to that which they really desire to show.

Mr. GROOM.—I think that a short explanatory note printed on the ballot-papers will make the system clear to every elector. I am not aware that the mistake to which the honorable member refers has ever arisen in connexion with this system of voting, which will accomplish what honorable members profess to desire—majority rule.

Mr. JOHNSON.—That is what it will not accomplish.

Mr. GROOM.—I have explained the principles of the measure, and have shown that it will not be difficult for the electors to exercise the option allowed to them, while the counting of the ballot-papers will

be simple. All that the elector will be concerned with will be the marking of his ballot-paper in the order of his preference, and the ballot-papers will be counted by the Divisional Returning Officers, according to a system which is simple, and should not permit of mistakes. If the House will take this measure into its serious consideration, and discuss our proposals on their merits, we shall, I hope, pass a Bill which will do a great deal for the accomplishment of what we all desire—the making of the laws of Australia a true reflex of the views of its people.

Debate (on motion by Mr. JOHNSON) adjourned.

COPYRIGHT BILL.

SECOND READING.

Mr. ISAACS (Indi—Attorney-General) [4-37].—I move—

That the Bill be now read a second time.

This measure amends the Copyright Act of 1905. It must be remembered that the term "book," as here used, means a good deal more than is ordinarily understood by the word. Its definition, according to the principal Act being—

"Book" includes any book or volume, and any part or division of a book or volume, and any article in a book or volume, and any pamphlet, periodical, sheet of letterpress, sheet of music, map, chart, diagram, or plan separately published, and any illustration therein:

Following the United States legislation, we propose to insert in the Act of last year, after section 31, the following section:—

31A. (1) The owner of the copyright in a book shall cause notice of the copyright therein to be printed on the title page (if any) or any conspicuous part of each copy published by inserting the words "Copyright in Australia" (followed by the name of the owner of the copyright and the year in which the book was first published in Australia).

The intention of this alteration is to give notice to those who desire to copy an article that it has been bought and paid for, and copyright in it exists, and thus to prevent any one who is acting in good faith from unwittingly using another's property against his will.

Mr. HIGGINS.—The Bill provides for the giving of notice similar to that displayed in the legend, "Trespassers will be prosecuted."

Mr. ISAACS.—Yes. The owner of a copyright must print on the copyrighted

publication an intimation that it is his private property. It is also provided that—

Where—

- (a) proceedings are taken for the infringement of the copyright in a book, and
- (b) the defendant proves to the satisfaction of the Court that he has in his possession a copy of the book and that that copy was published with the consent of the owner of the copyright and does not contain the notice required by this Act of the copyright therein

judgment may be given in favour of the defendant either with or without costs as the Court in its discretion thinks fit.

Mr. HIGGINS.—Why is the defendant made to prove the consent of the owner of the copyright?

Mr. ISAACS.—That provision follows a principle laid down by Lord Thring, in England. When a defendant is found using property which contains on it the distinct intimation that it belongs to another, he should be compelled, if he wishes to avoid liability for his action, to prove that he acted *bonâ fide*. The plaintiff must therefore prove that the notice of the copyright required by the Act was printed on the book from which the copy was made. To that the defendant may reply that no such notice was printed on the copy in his possession, and that he acted *bonâ fide* in ignorance of the copyright. In other words, although the plaintiff may show that, generally speaking, he complied with the Act, the defendant may escape, if he proves that in regard to the particular book from which he made his copy the Act was not complied with.

Mr. WATSON.—The onus of proof is not removed in all cases.

Mr. ISAACS.—The burden of proof may be shifted. After a plaintiff has made out a *prima facie* case, the defendant may exonerate himself in the manner I speak of.

Mr. WATSON.—The burden of proof is shifted in certain cases.

Mr. ISAACS.—Yes. It is provided that judgment may be given in favour of the defendant. I spent some time considering whether “shall” or “may” should be used, and I have thought it better to employ the word “may,” in order to leave the Court free to judge of the circumstances. The consent of the owner of the copyright might, for instance, have been obtained by fraud.

Mr. HIGGINS.—If that is the meaning of the provision, it should be made clear.

Mr. ISAACS.—I have, to some extent, followed the drafting of Lord Thring. Since the Bill was distributed, I have found some very late American cases, which lead me to propose some amendments. For instance, I intend to amend the proposed new clause 31A, by inserting after the word “published” the words “in Australia.” A very strange case occurred in America, in which the Judge, much against his will, because he thought the decision unfair, was compelled to decide against a plaintiff, since there had been publication abroad. Later on, I shall be glad to give the particulars of that case. Owing to that circumstance, the plaintiff was defeated. There was a publication in England, and although the plaintiff had complied with all the requirements of the American law with regard to publication, he was defeated. I propose to insert the words “in Australia” in the first sub-section.

Mr. JOHNSON.—How could that requirement be complied with in the case of a painting?

Mr. ISAACS.—This provision relates to books.

Mr. THOMAS.—Why has the Minister selected special items for particular treatment under the Copyright Act?

Mr. ISAACS.—This clause deals with books, which include a very wide class of cases.

Mr. THOMAS.—Does the provision embrace everything that can be copyrighted?

Mr. ISAACS.—No, because I do not think that every class of work would lend itself to such treatment. The United States Act does not carry the matter any further than we propose to do. In the third clause we propose to make substantially similar provision with regard to artistic works. I propose to omit the words “upon the work” in the early part of the clause so as to provide that it shall be sufficient to cause a notice of copyright to be printed or inscribed upon each copy of an artistic work. In another American case copyright was sought to be enforced in respect to a picture which was exhibited in London, and did not bear the words “copyright in America.” Although all the copies of the picture bore that notice, the fact that it was absent from the original caused the defeat of the plaintiff, who had no redress.

Mr. JOHNSON.—There is no provision in the Bill with regard to theatrical works.

Mr. DEAKIN.—Dramatic works are dealt with in the Act.

Mr. JOHNSON.—But I refer to models of scenes, for instance.

Mr. ISAACS.—I shall be glad to hear any suggestions that the honorable member may have to make. I do not intend to draw any invidious distinctions between one class of works and another, because what is fair for one is fair for the other. Clause 4 relates to reciprocal provisions for the protection of copyright within the Empire, and, I think, will meet with the approval of honorable members. It is provided—

Where it is made to appear to the Governor-General that any part of the British Dominions has made satisfactory provision for the protection in that part of the copyright in books, the performing right in musical or dramatic works, or the copyright in artistic works, first published, performed, or made in Australia, the Governor-General may, by order, declare that all or any of the provisions of this Act shall, subject to such modifications and conditions as he sees fit to direct, apply to the copyright in books, the performing right in musical or dramatic works, or the copyright in artistic works, first published or performed or made in that part of the British Dominions :

Provided that the period of protection in Australia shall not exceed the period of protection in that part of the British Dominions or the period of protection under this Act.

That is intended to give effect by enactment to legislation which may be passed in any other part of the British Dominions. There is another point to which I wish to direct the attention of honorable members. It was brought to the mind of the Government after the Bill had been distributed, and is a very important one. Honorable members may recollect that when the Copyright Bill was before us last session the Senate introduced provisions relating to the exclusive rights of newspaper proprietors to publish cable news. I propose to read the provisions contained in the Bill as reported in the Senate and forwarded to this House. In the Bill as it then stood, clause 34 read as follows:—

1. The proprietor of any newspaper or news agency, who alone or in conjunction with others has obtained specially news of any fact or event which has taken place beyond the limits of Australia, shall, as against all persons who have not obtained the news independently, be entitled for the space of twenty-four hours immediately succeeding its publication to the exclusive right of publishing that news.

I should like to explain what that means. Copyright, so far as it relates to literary matters, gives the exclusive right of producing copies of works in a particular

form, in particular language, and under a particular arrangement. It does not relate to the substance of the information conveyed, but to the form in which it is cast. This provision which I have just quoted purports to give to the proprietors of newspapers, or a news agency, something which the common law does not give them—something to which they are entitled as a matter of honesty, because news is a commodity which has to be paid for in hard cash, and should, therefore, be protected in the same way as if it were of a visible and tangible nature.

Mr. JOHNSON.—Cannot the newspaper proprietors in some of the States copyright their cable news?

Mr. WATSON.—Yes.

Mr. ISAACS.—I do not know whether that is so or not. The clause from which I have been quoting provides further—

2. Any person who publishes any news protected by this section, without the consent of the person who is entitled to the exclusive right to publish it, shall be liable to a penalty not exceeding One pound for each copy of the newspaper or document in which he publishes the news, but not exceeding in the whole Fifty pounds.

3. For the purposes of this section a person shall be deemed to publish any news protected thereby if he publishes the whole or part of the news or of the intelligence contained in the news or the substance of the news or intelligence contained therein.

4. Proceedings for the recovery of any penalty under this section may be instituted by or in the name of any person aggrieved in any court of summary jurisdiction or court of competent jurisdiction, and the penalty shall be paid to him.

5. An injunction or order restraining the repetition of any contravention of this section may also be awarded and granted by any court of competent jurisdiction.

6. Subject to the regulations, the Minister may, if he is satisfied that any combination of newspaper proprietors exists for the purpose of obtaining telegraphic news of any facts or events which have taken place outside Australia, and has refused, without reasonable cause, to admit any newspaper proprietor to membership or to the benefits of membership in such combination or to supply him at reasonable rates for immediate publication in his newspaper with such news obtained by such combination, order such combination to supply him with such news for publication in his newspaper at such rates and on such terms as the Minister deems reasonable, and if such combination fails to comply with such order the rights of such combination or the members thereof under this section shall, so long as such failure continues, cease to be exclusive as against the proprietor of such newspaper. For the purposes of this sub-section a rate in respect of any news shall not be deemed to be reasonable if it substantially exceeds the proportion of the cost of obtaining such news to any newspaper proprietor who is a member of such combination.

When these provisions came before Parliament, the matter proved to be so difficult, and the session was so far advanced that the Government agreed that, if the clauses were withdrawn, they would give honorable members an opportunity for the discussion of the whole question this session. The attention of the Government has been drawn to that pledge, and I now propose to carry out the undertaking then entered into. The first five sub-clauses, although they extend the rights of newspaper proprietors, afford them very proper protection.

Mr. LONSDALE.—They are perfectly entitled to a copyright in regard to any news that they may obtain at their own cost, but that does not apply to cases in which they merely pick up information from other newspapers.

Mr. ISAACS.—That point is dealt with. If, because of the ethics and the justice of the case, we confer additional rights upon newspaper proprietors, they may be called upon to recognise that the public are entitled to have news disseminated so long as those who have to pay for it are not subjected to any loss, and that they should consent to allow other persons to publish their cables provided that fair and equitable terms are offered. The proposal is to make some verbal alterations in the first five sub-clauses.

Mr. DUGALD THOMSON.—Is it intended that newspaper proprietors shall bear all the expense and risk of their enterprise, whilst any other person may share in the benefit if he pays for it?

Mr. ISAACS.—We intend, for the purposes of discussion, to provide—

6. If any person who obtains news which under this section he has an exclusive right to publish, refuses without reasonable cause to supply the news to the proprietor of a newspaper, on fair and reasonable terms, for immediate publication—

- (a) he shall not be entitled to copyright in the news or in any letter-press embodying the news; and
- (b) no person shall be liable to a penalty under this section in relation to the publication of the news.

In case of difference, the question what terms are fair and reasonable may, on the application of either party, be determined summarily by a Judge of the Supreme Court of a State.

It is just that the risk to which the honorable member refers should be taken into consideration, and, no doubt, it would have great effect upon the mind of the Court in determining what were fair and reasonable terms. If that element were

taken into account, it would make the person who desired to share in the benefits of any arrangement, also bear his proportion of the burdens attached to it. We should not say to a newspaper proprietor, or combination of proprietors, who have to pay large sums of money for their news, and to take considerable risks "You take all the risks, but must allow other persons to come in and share in the benefits of your enterprise, upon merely paying a proportion of the cost of the cables." That would be unfair. All the circumstances should be taken into consideration. If that is done, and we protect the newspaper proprietors, not only in regard to the verbiage with which they clothe their news, but also in regard to the news itself—which is not now, at least in some parts of Australia, protected at all—it may be considered a reasonable thing that other newspaper proprietors who have not the means at their disposal to inform the public, by means of special telegraphic news, should have an opportunity of sharing in the benefits of the service upon reasonable terms. Of course, the Court could not make an order compelling a newspaper proprietor to permit others to share in the benefits of his service, but the Act could make it clear to him that he could not enjoy certain new privileges in connexion with the protection of his news unless he was prepared to comply with the conditions laid down.

Mr. DUGALD THOMSON.—Have they no right under common law?

Mr. ISAACS.—To what does the honorable member refer?

Mr. DUGALD THOMSON.—I am speaking of the information which is contained in their telegrams.

Mr. ISAACS.—They have no common law right in that respect. Very unjustly. I think, newspapers cannot complain if their news is stolen so long as its literary form is not stolen.

Mr. DUGALD THOMSON.—I thought that it was decided otherwise in Melbourne?

Mr. ISAACS.—No. I was engaged in one case, and I can assure the honorable member that in Victoria the news itself—which is the most valuable portion of the information—can be pirated so long as the form of it is not stolen. In other words, a person may take the kernel so long as he does not annex the shell. The proposal in the Bill will confer additional benefits and protection upon newspaper proprietors,

and the question is whether—in view of that fact—they should be asked to shoulder an additional burden. I shall be very glad to hear what honorable members have to say as to the fairness or otherwise of such a provision.

Mr. HENRY WILLIS.—How long will newspaper proprietors be protected?

Mr. ISAACS.—For twenty-four hours. I should very much like to hear the views of honorable members upon this question. To my mind it is a most difficult one. It is a question which involves private rights and public advantages, and it is one which is open to a great deal of consideration and argument. It is a difficult question, and I do not pretend for one moment to say that it is one-sided. I have placed the matter before the House, and I am sure that the Government will be infinitely obliged if honorable members will give them the benefit of their opinions upon this matter. It seems to me a shocking condition of affairs that newspapers should not be protected in the matter of the news for which they pay.

Mr. WATSON.—It is also shocking that the newspaper proprietors should be able to form a combination to which they refuse to admit anybody outside the present ring.

Mr. ISAACS.—I agree that there are considerations which affect the public beyond those which I have mentioned.

Mr. HENRY WILLIS.—If the newspaper proprietors were protected for twelve hours in the matter of their news, does the Attorney-General think that would be sufficient?

Mr. ISAACS.—If the honorable member will place his views before the House the Government will be very glad to consider them. The provisions to which I have last referred have been placed before honorable members in the best shape that we can put them in order to give effect to a pledge which was made by the Government last session. We then promised that some such proposal would be submitted in order that it might be discussed under as advantageous conditions as it would have been upon that occasion. It will be remembered that the Government were allowed to excise a certain portion of the Copyright Bill and to pass the Act in its present form, upon the distinct understanding that a further opportunity of discussing this particular phase of the question would be afforded to honorable members.

Mr. SPEAKER.—I desire to call attention to a point of parliamentary practice which seems to be involved in this case. The custom is that, upon the motion for the second reading of any measure, its general principles, but not its details, are open to discussion. Its details are reserved for consideration in Committee. Upon the present occasion, however, I have noticed that the Attorney-General, in moving the second reading of the Bill, has devoted more time to the discussion of some clauses which it is proposed to insert at a later stage than to the clauses which are actually contained in the measure. His speech, therefore, involved a discussion, not so much of the provisions which are in the Bill, as of provisions which may be inserted. Of course, I was not able to discover this except as sentence after sentence fell from his lips, and therefore I did not feel justified in interfering. As I did not interfere with him, it will be necessary for me to allow every other honorable member the same liberty that he has enjoyed. I should like to say, however, that I do not think that I ought to allow the practice which has been adopted on the present occasion to become a precedent. Upon a second-reading debate I do not think that we ought to permit the discussion chiefly of clauses which are not in a Bill, but which it may be proposed to insert at a later stage. The practice is quite a new one, and I thought that it ought not to be allowed to pass without attention being called to it.

Mr. ISAACS (Indi—Attorney-General) [5.10].—I recognise the justice of what you have said, sir, but the position is that a pledge had been given by the Government, and, in order to discharge that pledge, I felt it incumbent upon me to depart from the ordinary practice.

Debate (on motion by Mr. DUGALD THOMSON) adjourned.

SUPPLY BILL (No. 2).

ORDER OF BUSINESS: ADMINISTRATION OF PAPUA: RE-INTRODUCTION OF AUSTRALIAN PRODUCE: APPOINTMENT OF JUSTICES.

In Committee of Supply:

Sir JOHN FORREST (Swan—Treasurer) [5.11].—I move—

That a sum not exceeding £748,363 be granted to His Majesty for or towards defraying the service of the year ending 30th June, 1907.

In submitting this motion, I desire to say that the Government are asking for supply for about two months. By the end of the present month we shall require funds, and therefore I am glad that I am able to place the Bill before honorable members at this stage, so as to afford them ample time for its consideration. The measure provides for the appropriation of £748,363. The Act which was passed at the beginning of the session appropriated £459,064, so that if this Bill becomes law the total appropriation up to date will be £1,207,427. That is a little more than one-fourth of the amount provided upon the Estimates. The sums set out upon the Estimates—after deducting special appropriations—total £4,434,431, so that one-fourth of that amount would be £1,108,608. It will thus be seen that if this Bill be passed the total appropriation will be slightly more than one-fourth of the total amount provided on the Estimates.

Mr. DUGALD THOMSON.—What is the addition for?

Sir JOHN FORREST.—Some heavy payments will fall due in the first quarter of the year. In connexion with our ocean mails, it is convenient to transmit the money to London early, so as to obtain the best terms in regard to exchange. The sum of £60,000 will be required for that purpose during the first two quarters, and the Pacific Cable will probably involve an expenditure of £28,500. Then there is the Corps Contingent allowances which have to be paid, and which amount to about £50,000. These three items alone involve an expenditure of £138,500. I may inform honorable members that the amounts set out in the Bill provide for the ordinary services of the Government, and include no items of a special character. In cases where increments of salaries are provided upon the Estimates-in-chief, those increases will not be paid until the Appropriation Act has been passed. In that respect we shall be following the practice which has already been established. In Western Australia my experience of interim Supply Bills was that no schedule was attached to them. They were Bills providing for expenditure which was based upon the votes of the previous year, and no new items were ever included in them. However, in this Parliament we have adopted the plan of attaching a schedule to such Bills. If honorable members will look through the schedule to this measure, they will see that

it contains no items of an unusual character. The Government merely ask Parliament to provide them with funds to carry on the ordinary services.

Mr. DUGALD THOMSON (North Sydney) [5.15].—The Minister has not fully explained why the vote that we are asked to grant is, as I understood him to say, £200,000 in excess of one-fourth of the amount on the Estimates.

Sir JOHN FORREST.—I said that it was a little more than one-fourth of the amount on the Estimates.

Mr. DUGALD THOMSON.—The right honorable gentleman has, I understand, assured the Committee that there are no new items in the schedule, and that we are not being asked to vote supplies in respect of something of which the House has not approved.

Sir JOHN FORREST.—Hear, hear.

Mr. DUGALD THOMSON.—Or for increases of salaries?

Sir JOHN FORREST.—Hear, hear.

Mr. DUGALD THOMSON.—The Treasurer referred to a large item in respect of contingent corps allowances.

Sir JOHN FORREST.—It is to provide for the payment of the various corps.

Mr. DUGALD THOMSON.—It is a defence item?

Sir JOHN FORREST.—Yes.

Mr. DUGALD THOMSON.—In view of the assurance of the Minister that the Bill covers ordinary expenses, and does not relate to any increase of salaries, I see no objection to it. We were promised some time ago that we should not be asked so frequently to pass Supply Bills. I see no objection to the passing of such a measure at this stage of the session, but their continued introduction at comparatively brief intervals would be a breach of the understanding to which I have referred. I should like to know when the Government propose to proceed with the Estimates?

Sir JOHN FORREST.—As quickly as possible.

Mr. DUGALD THOMSON.—They ought to be dealt with as soon as possible. I am aware that precedence may have to be given to some Tariff proposals, but it seems to me that extraneous matters which are not so important as are the Tariff proposals and the Estimates are being taken before them.

Mr. HENRY WILLIS (Robertson) [5.19].—I should like the Treasurer to

give the Committee some information as to the item of £224 for electric lighting and repairs at Parliament House?

Sir JOHN FORREST.—I can only inform the honorable member that it is the ordinary vote.

Mr. HENRY WILLIS.—Then it is incorrectly stated, since the word "repairs" appears in the item?

Sir JOHN FORREST.—That is the heading to the vote.

Mr. HENRY WILLIS.—I thought that possibly there was installed here an obsolete plant which was being repaired at considerable cost.

Sir JOHN FORREST.—The vote relates absolutely to ordinary services.

Mr. JOHNSON (Lang) [5.20].—We ought to have an assurance from the Government as to the order in which the remaining business of the session is to be taken. At present we appear to be proceeding in a haphazard way. After entering upon the discussion of the Estimates, they are suddenly withdrawn from discussion, and honorable members are asked to deal with measures of no urgency. What is the object of this? A few days ago I asked the Prime Minister when, in view of the expressed desire of the Government to rectify Tariff anomalies, and to relieve the distress alleged to be due to an inadequate Tariff, it was proposed to proceed with the work of Tariff revision. In reply the honorable and learned gentleman said that it was intended to proceed immediately with it. The business paper, however, affords no indication of a desire on the part of the Government to give effect to that intention.

Sir JOHN FORREST.—The Prime Minister said to-day that the question of Tariff revision would be dealt with early next week.

Mr. JOHNSON.—We now find on the business-paper the Copyright Bill, the Preferential Ballot Bill, the Bounties Bill, the Lands Acquisition Bill, and other measures which certainly are not of great urgency, and with which, in the circumstances, the next Parliament might well be left to deal. At all events, I think that, before granting supply, we ought to have a positive assurance from the Government that they intend to submit the question of Tariff revision to the House during the present session.

Sir JOHN FORREST.—The Prime Minister said that it would be dealt with early next week.

Mr. JOHNSON.—I doubt the sincerity of these promises, since the business-paper contains no reference to Tariff revision. We are justified in harbouring the suspicion that the object of the Government in pressing forward other measures is to delay the consideration of this question, which was said by Ministers twelve months ago to be so urgent as to demand our immediate attention. The Opposition have expressed their desire to assist the Government in dealing before the general election with the Tariff, but apparently, so far as that question is concerned, the Ministry are adopting a policy of procrastination. Either the Government propose to proceed this session with the measures now on the notice-paper, or they are fooling the Parliament and the public. If they have no desire to pass them this session, they are guilty of a gross and deliberate waste of time, and are perpetrating an act of absolute deception upon the Parliament and public. The Treasurer is best able to determine whether a Supply Bill is necessary at this stage, but, having regard to the fact that the Government have received from the Opposition more generous treatment than they deserve, I think they ought to take us into their confidence and tell us what business we shall be asked to deal with this session, and also the order in which it will be taken.

Mr. LONSDALE (New England) [5.27].—I join with the honorable member for Lang in urging the Government to let the Committee know what business they intend to proceed with this session. It is apparent that if the general election is to take place on 21st November next, the session must soon close; nevertheless, important measures are being put aside for comparatively unimportant ones. If the Government are anxious to protect the mangled industries, of which we have heard so much, and to find employment before Christmas for the people who have been thrown out of employment owing, it is said, to the closing of certain works, they should lose no time in dealing with the Tariff. The people of Victoria consider that the question should have been dealt with last year, and yet the Government, who pose as the saviours of the working classes, are allowing important matters relating to the Tariff to remain untouched. It is time that we had from them some practical proof of the sympathy they profess for the great bulk of the people. I can well understand that the genial Treasurer, who has

not suffered by the strangling of any industry, completely forgets the position of those who have suffered. If the Government are really in earnest in their professed desire to help the unfortunate men who are out of employment, they ought to give their Tariff reform proposals precedence over all other measures.

Mr. WATSON. — The honorable member might give us a few words in favour of the single tax.

Mr. LONSDALE.—I should be out of order if I did so; but I have dealt with it freely on the public platform. If I had the position and influence of the honorable member for Bland, I should not give myself up to pleasure whilst the working classes were suffering. I should endeavour, at all events, to put into practice the principles which I believed would afford them some assistance. The honorable member has no more faith in my principles than I have in those which he professes. The Government ought to at once bring forward their very important proposals with regard to the Tariff. Personally, I do not think that the alteration of the Tariff in the manner desired by Ministers will relieve distress. On the contrary, I am certain that it will benefit merely the wealthy. But, if honorable gentlemen were sincere, they would bring forward measures for Tariff reform, instead of taking up the time of Parliament with the discussion of Copyright and Preferential Ballot Bills. Honorable members cannot remain here much longer. At the end of next week I shall leave the scene, and perhaps may not return.

Mr. WATSON.—I am sorry that the honorable member is not coming back.

Mr. LONSDALE.—I shall not care much whatever happens. All of us who represent large constituencies must leave very shortly, in order to prepare for the election on the 21st November, and Ministers should therefore do what they say is necessary to save the strangled industries of which we have heard so much. If they bring forward their Tariff proposals, we on this side shall be able to show that the manufacturers connected with the protected industries are making profits amounting to thousands of pounds a year, and that the suggested alterations of the Tariff would merely help the very wealthy to rob the poor still more.

Mr. BAMFORD (Herbert) [5.33].—I desire to refer to a matter which has already been before honorable members, and

was to have been dealt with by the honorable and learned member for West Sydney, who has prepared a great deal of information in regard to it. Unfortunately, he is prevented by the serious illness of a member of his family from being present. A few days ago the Prime Minister informed the honorable member for Moreton that opportunity would be given for the discussion of his motion in reference to the appointment of an Australian as Administrator of Papua. Those who take interest in the matter would be content to wait for that opportunity, were it not for the fact that the statement has since been made that a Commission is to be appointed to proceed to Papua this month to inquire into the administration there.

Sir JOHN FORREST.—The Commission has been appointed.

Mr. WILKINSON.—Its appointment is a distinct breach of faith.

Mr. MCWILLIAMS.—Why do honorable members merely grumble about it? Why do they not challenge the action of the Government?

Mr. BAMFORD.—I regret that this course has been taken. The mail leaves Melbourne for New Guinea on the 27th inst., four days hence, and it will be necessary for the Commissioners to pick up the out-going steamer. The gentlemen who have been appointed are Mr. Herbert, Mr. Parry-Okeden, and the Honorable J. A. K. Mackay. They are being sent to Papua to whitewash Captain Barton. A short time ago it was notified in the press that the Government had approached Sir William McGregor with a view to his reinstatement as Administrator of New Guinea. Why was that done if the administration of Captain Barton is satisfactory? The fact that Sir William McGregor was approached is, to my mind, conclusive evidence that the Government are dissatisfied with the administration of Captain Barton.

Sir JOHN FORREST.—No.

Mr. WATSON.—Then why did the Government ask Sir William McGregor to take the position?

Sir JOHN FORREST.—A new Constitution is about to be proclaimed in Papua, and we wanted the very best man obtainable. Sir William McGregor is a very eminent man; there are not many like him.

Mr. BAMFORD.—The Treasurer's explanation does not make the position of Captain Barton any better.

Sir JOHN FORREST.—Captain Barton has asked for the appointment of this Commission.

Mr. WILKINSON.—Did he nominate the Commissioners?

Sir JOHN FORREST.—The honorable member knows that he did not. That is a dirty insinuation.

Mr. BAMFORD.—Is every Government official who asks for the appointment of a Commission to have his request granted? Such strong dissatisfaction with the administration of New Guinea was expressed when the right honorable member for East Sydney was in office, that he sent the Secretary to the Department of External Affairs to the Territory to inquire into the complaints which had been made, with a view to reporting as to what should be done. That officer furnished a very able report, but, to my mind, every paragraph of it condemns the existing administration, as must be seen by every one who reads it carefully, and looks between the lines.

Sir JOHN FORREST. — What has been going on in Papua? What is the trouble about?

Mr. BAMFORD.—I have here the papers in the Richmond case, and in the O'Brien case, and a letter which I read in this Chamber a little time ago.

Sir JOHN FORREST.—What do they all prove?

Mr. BAMFORD.—That we have in Papua a very valuable possession in the development of which no progress is being made.

Sir JOHN FORREST. — The authorities have not had enough money.

Mr. BAMFORD.—If the Treasurer thinks that more money should be spent there, why does he not ask for a vote? The fact that the Government desired to replace Captain Barton by some one else shows that they are not satisfied with his administration.

Sir JOHN FORREST.—I do not think so. Sir William McGregor is one of the most eminent men in the English Public Service.

Mr. BAMFORD.—No one has anything to say against Sir William McGregor. What I wish to know is why, if the administration of Captain Barton is satisfactory, the Government wished to remove him?

Sir JOHN FORREST.—Because we desired to appoint to the position the most eminent man that we could get.

Mr. FRAZER.—And when they could not get Sir William McGregor, they appointed a Commission.

Sir JOHN FORREST.—Captain Barton asked for the appointment of a Commission. The Prime Minister has stated so.

Mr. CROUCH.—Has the Commission been appointed merely because Captain Barton asked for its appointment?

Sir JOHN FORREST.—We shall treat him fairly, whatever happens.

Mr. BAMFORD.—Does any one know anything about the Commissioners? The only one whom I know by repute is a retired public servant.

Sir JOHN FORREST.—Colonel Mackay has been a Minister of the Crown in New South Wales for a number of years. He has been Vice-President of the Executive Council there, and leader of the Legislative Council. He also went to the war.

Mr. LONSDALE.—He is the New South Wales poet.

Mr. BAMFORD.—These do not appeal to me as good reasons for appointing him to the Commission. It seems to me that the Commissioners have been appointed to give a report which will be satisfactory to the man principally concerned.

Sir JOHN FORREST.—That is not fair. Words of wisdom are expected from members of Parliament, not statements like that. The Commissioners are as honorable, I hope, as we are.

Mr. BAMFORD.—I hope so, too. It will take them three weeks to get to New Guinea, a considerable time will be occupied there in the collection of evidence, and afterwards they must draw up their report, by which time Parliament, which cannot remain in session more than another five or six weeks, will have been dissolved. What, then, will be done in the matter?

Sir JOHN FORREST.—The Government will take such action as they may think fit.

Mr. BAMFORD.—What action will they take? The time has arrived for honorable members to express their opinions upon this subject, and there can be no better opportunity than the present for doing so.

Sir JOHN FORREST.—What is the honorable member's objection to Captain Barton?

Mr. BAMFORD.—I do not object to him personally, but I object to his administration.

Sir JOHN FORREST.—Are there any serious charges against him?

Mr. BAMFORD.—The position is that the Territory is languishing instead of progressing under his administration. I have nothing to say against his conduct in regard to the natives; that has been admirable.

Sir JOHN FORREST.—There has not been enough money to do very much.

Mr. BAMFORD.—There are only 600 white persons in the Territory, and the number is not increasing, because land cannot be procured, and no development is taking place. When Sir William McGregor was there the planting of rubber and coconut trees was going on, and, indeed, it was asserted the other day in the press that a rubber plantation established by him fifteen years ago had only recently been discovered by the present authorities. The white residents of the Territory say that the administration is entirely unsatisfactory. O'Brien's case shows a certain amount of looseness. In that case a man who had been imprisoned for the commission of a common assault escaped, and a Government official issued the notice that he might be shot down at sight if he refused to surrender. The whole administration has been lax and inefficient.

Mr. JOHNSON.—What is the complaint against Captain Barton?

Mr. BAMFORD. — The complaint is that he lacks administrative capacity. That has practically been admitted by the Government; otherwise, why should they have approached Sir William McGregor?

Mr. KELLY.—Whom does the honorable member suggest as fit to occupy the position?

Mr. BAMFORD. — I do not suggest any one, but I agree with the Prime Minister, who voices the cry "Australia for the Australians," and I think that an Australian should be appointed to the position.

Mr. LONSDALE. — Even an Australian who has no brains.

Mr. WATSON.—That is a nice thing for the honorable member to say—that Australians have no brains.

Mr. LONSDALE.—I did not say that; and if the honorable member repeats the statement, I shall tell him, in a very few words, what I think of him.

Mr. BAMFORD.—Mr. Atlee Hunt, in his report, says that we not only have the money necessary to provide for the development of Papua, but that we also have in Australia men who are capable of administering the affairs of the Possession in a satisfactory manner.

Mr. DUGALD THOMSON.—What about Papua for the Papuans?

Mr. BAMFORD.—I might be willing to agree with that sentiment. I am not so sure that it is not a matter for regret that we ever had anything to do with Papua. Unfortunately, however, the British Government showed such a want of sympathy with the aspirations of Australia, and such a disregard of her interests, that we felt it incumbent upon us to undertake the responsibility attached to the control of the Possession. As far back as 1870, Sir John Robertson took action, and urged the Imperial Government to take possession of New Guinea, but they failed to do so, and, as a result, a large portion of the island passed under the control of Germany. It was very much the same in the case of New Caledonia and other islands in the Pacific. In conclusion, I desire to say that, in my opinion, the Commission has been appointed for no other purpose than to whitewash the present administration of Papua. I regret that it has been appointed, and I do not think it is too late even now to retrace our steps.

Mr. DEAKIN.—Yes, it is.

Mr. BAMFORD.—Then the hands of Parliament have been forced by the action of the Government. I do not think that the Commission should have been appointed until the motion standing in the name of the honorable member for Moreton had been disposed of.

Mr. DEAKIN.—There is nothing hostile to that motion in the appointment of the Commission.

Mr. BAMFORD.—I think that honorable members should have had a full opportunity to arrive at a decision upon that motion before any decisive action was taken by the Government. The report of Mr. Atlee Hunt is a condemnation of the administration, and my honest opinion is that the Commission should never have been appointed.

Mr. LONSDALE (New England) [5.51]. —The honorable member for Bland asserted that I stated that Australians had no brains. He must have known that his statement was not correct. As an Australian myself, I should never dream of

honorable member for Herbert suggested that an Australian should be appointed to administer the affairs of New Guinea, and I interjected, "An Australian even if he had no brains?"

Mr. SPENCE.—Where is the difference?

Mr. LONSDALE.—When the honorable member for Darling cannot see the difference, the unfairness of the statement of the honorable member for Bland is fully indicated. Some Australians are idiots, and some are, of course, just like other men. I hold that Australians have just as much intelligence and strength as have other Anglo-Saxons. Some Australians are fair, and some are absolutely unfair. The honorable member for Bland is an adept at misrepresentation. Last session he made a statement in this House which I challenged as being unfair, and he then sought the intervention of the Speaker to make me withdraw the word "unfair." I do not believe in placing any one in a position of responsibility unless he is fit to occupy it. If an Australian could be found who was fit to administer the affairs of Papua, I should have no objection to his appointment; but no Australian would be entitled to occupy the position unless he were fully capable of discharging the duties attached to it. All things being equal, I would give the preference to an Australian. When the honorable member for Bland made his interjection, he thought that he had got hold of something which he would be able to use for electioneering purposes. He has shown that he would be capable of adopting almost any means to serve his own ends.

Mr. WATSON (Bland) [5.54].—I am sorry that I misunderstood the honorable member with regard to the interjection he made. He complains very bitterly about misrepresentation and unfairness, but according to his own statement what he said by way of interjection was intended to attach a certain meaning to the statement of the honorable member for Herbert that he knew full well that the honorable member never intended to convey. The interjection was of a most unfair character. The only inference that could be drawn from it was that the honorable member for Herbert contended that any Australian was good enough to administer the affairs of Papua.

Mr. LONSDALE.—Nothing of the kind.

ceive of the honorable member for Herbert putting forward such a silly contention, and it was most unfair of the honorable member for New England to suggest that he had taken up any such attitude.

Mr. KELLY.—The honorable member for New England merely asked a question.

Mr. WATSON.—I did not mark the note of interrogation. To my mind, the action of the Government with respect to Papua is hardly such as to give satisfaction to their friends. For a considerable period it has been evident to any one who has cared to take the slightest interest in the history of the Possession that it has been steadily drifting, mostly to leeward. When Sir William McGregor was the Administrator of the Possession, the most vigorous and sensible policy of development was pursued, and at the same time proper regard was paid to the interests of the natives. Although then, as now, money was scarce, there was something to show for what was expended. Ever since Sir William McGregor left the Possession the policy of drift has been in full swing, and that is why persons who have attempted to become settlers there have found themselves blocked at every turn. Upon the one hand, traders have found it almost impossible to obtain land. Many applications for land to be used for the purposes of trading stations have been held over for a couple of years, and no satisfaction can be obtained from the authorities. The members of the mining community have had to get along as best they could without roads, and even without tracks fit for pack-horses. They have been compelled to rely upon tracks along which it was possible to transfer their goods only on the heads of native carriers.

Mr. McWILLIAMS.—Who have been killed off by the score.

Mr. WATSON.—I believe so. From the stand-point of settlement this condition of affairs has involved enormous expense upon those who have been endeavouring to make their living in the Possession. Something like 1s. per lb. has been charged for the carriage of rations from the coast to the gold-fields.

Sir JOHN FORREST.—The country is very difficult to travel through.

Mr. WATSON.—Perhaps so, but no attempt has been made by the Administration to improve the conditions.

Sir JOHN FORREST.—How much money have they had at their disposal?

Mr. WATSON.—They have had enough money to enable them to spend £7,000 per annum upon the steamer *Merrie England*, and yet they could not afford to spend £700 per annum upon the improvement of the roads to the gold-fields. Seven hundred pounds would have gone a considerable distance if it had been expended upon the construction of tracks fit for pack-horses.

Mr. CAMERON.—The officials have had as much money as was placed at the disposal of Sir William McGregor.

Mr. WATSON.—Yes; they have had more, because the revenue has increased. The miners have never asked for roads, but merely for tracks fit for pack-horses, and yet until recently no effort has been made to comply with their request. Sir William McGregor insisted upon the natives planting cocoanut trees for their own good. That regulation which he brought into operation has, under the administration of Sir George Le Hunte and Captain Barton, fallen into disuse. Very recently the officials in Papua were astonished to discover a plantation which had been laid out by prison labour under Sir William McGregor, and which had been lost sight of since his departure from the Possession. There is nothing wrong in permitting prison labour to be employed in that way. It seems an admirable way of employing native prisoners. In bringing under Government influence members of savage and semi-savage tribes, it is necessary to hold some under some kind of duress until they realize what white institutions really are. These men have to be fed and employed in some fashion, and Sir William McGregor entertained the very wise idea of utilizing their labour to put in Government plantations of cocoanuts. With his departure that method of employing them was allowed to cease. Altogether the administration of New Guinea has been such that we cannot look back upon it with any degree of satisfaction, except so far as we have not been in full measure responsible for it. I hold that the responsibility for this policy of "drift" rests primarily with the late Administrator, Sir George Le Hunte, and, secondly, with the Acting Administrator, Captain Barton, who has now been in the Possession for nearly three years.

Mr. McWILLIAMS.—Where does the Government responsibility come in?

Mr. WATSON.—I think that the Government have some responsibility, too. The blame for the general drift which has occurred lies primarily with the late Administrator, and, secondly, with Captain Barton. I am prepared to admit, with any friend of Captain Barton's, that, so far as I have had an opportunity to judge him, he is a man for whom nobody can feel anything but the greatest personal respect. All that I have heard regarding his treatment of the natives, his safeguarding of their interests, and his securing for them freedom from molestation at the hands of the miners and other white settlers, is of the most favourable description. Concerning this gentleman, in a subordinate position, as Commissioner of Police, and subsequently, as Acting Administrator, there is not a word of criticism, but everything in the nature of commendation to be said so far as his treatment of the natives is concerned. But that in itself is not sufficient. No doubt the trait to which I refer is a very admirable one in his character, and one that the Commonwealth Government should see is possessed by any future Administrator of the Possession, because we have a right to jealously guard the interests of the natives who are placed under our care. But we have a right to do more than that. We have a right to see that the funds of the Commonwealth are wisely expended, and that the burden upon the taxpayer is lightened by such legitimate settlement as New Guinea will permit. Further, we should insist that the natives in a reasonable measure shall help to make good to the Commonwealth the cost of administering the Territory, and of preserving law and order there.

Mr. DUGALD THOMSON. — Are we going to settle these things always by the appointment of a Royal Commission?

Mr. WATSON.—That seems to be the latest idea.

Mr. McWILLIAMS.—Did not the Minister of Defence visit New Guinea to investigate all these matters for himself?

Mr. WATSON.—No; he merely went as far as Thursday Island. Speaking as an outsider, who has endeavoured to give some attention to the Possession, I am in the highest degree disappointed with the administration which has characterized it for some time. Turning to other matters, I would point out that the gravest dissatisfaction exists amongst the white settlers

there. We also know that dissatisfaction exists amongst a considerable proportion of the officers. Whether in that regard the Administrator is right or wrong, I do not pretend to be able to judge. That is a matter for the Government to decide. Ordinary members of Parliament who have not access to all the papers connected with these cases cannot be expected to express a definite opinion upon them. But, in regard to one case which has come before Parliament and the country—I refer to that in which Chief Surveyor Richmond was disgraced because of a complaint which he lodged against the Administrator—I wish to say—after looking through the papers which were laid upon the table to-day—that the decision of the gentlemen in Melbourne who investigated it, necessarily at a disadvantage, owing to the fact that they could not examine witnesses orally, is an inexplicable one. They had the sworn testimony of four officers of the Executive Council, and against that they accepted the word of the Acting Administrator. I do not say that the Acting Administrator is likely to lie upon a subject of this sort, but I do say that it is more likely that one man would be mistaken than that four men would be in error, when they definitely swear to an actual happening. As far as the Richmond case is concerned, I think there is room for further inquiry. I am quite prepared to admit that there is room for a more detailed inquiry—for the examination of witnesses orally—in order that some estimate may be formed of their reliability. I knew Mr. Richmond as a Government official in New South Wales before he went to New Guinea, and all that I knew of him there was of the most favorable description. That, however, does not necessarily insure that he is right in this particular instance. There is another case which, to my mind, indicates that the Administrator has not a proper recognition of his duty either to the people of Australia or of New Guinea. In what is known as the O'Brien case, a prisoner escaped from custody. He was in prison upon a charge of assault, and he escaped by attacking the native constable who was on guard. I do not wish to say anything in extenuation of his action in that connexion. He may be one of the worst of scoundrels, and in any case the officers were justified in using every reasonable and lawful effort to recapture him. But the magistrate by whom he had been tried—Mr. Griffin—posted a notice at the

centre of the Yodda gold-field calling upon the miners to assist in his recapture—a very proper thing—and further authorizing any miner whom O'Brien declined to accompany, in order that he might be handed over to the authorities, to shoot him at sight.

Mr. CROUCH. — The honorable member must recollect the circumstances of the country.

Mr. WATSON.—The circumstances of the country form no excuse for going beyond the law of the Possession. The surest way to encourage law-breaking is for the responsible authorities to ignore their own laws. I do not say for a moment that Captain Barton was responsible for this magistrate having posted the notice in question, but I do say that after the papers had come before him, and when he was asked to make a report upon the subject, he gave no indication whatever of any reproof having been administered to that officer, or any intimation that he regarded his act as anything more than an ordinary incident. Even after the Chief Justice of the High Court had been asked to report whether, in his opinion, the notice was in accordance with the law of the Possession, Captain Barton, in his position as Administrator, did not rebuke the magistrate and ask him to keep within the limits of the law.

Mr. CROUCH.—What did the Chief Justice of the High Court say?

Mr. WATSON.—When asked—as the result of action by the Prime Minister—to express his opinion upon the order which had been issued, he said that it was absolutely unlawful and without justification.

Mr. CROUCH.—In a wild man's country it is necessary to take strong action.

Mr. WATSON.—The regulations which were passed by Sir William McGregor have not been altered by his successors. There are other circumstances connected with the O'Brien case upon which I do not wish to express an opinion this afternoon. There are matters upon which it is difficult for honorable members to form an opinion. Against O'Brien's word there was pitted the word of a number of natives. If I were a magistrate, I should require to know something of the circumstances and of the men before I would necessarily prefer the statement of a number of natives to that of a white man. Upon the other hand, it is quite possible that the magistrate knew sufficient of O'Brien's general character to justify him in accepting the word of

the natives upon the occasion in question. But, irrespective of the consideration of whether O'Brien had a right to remain in custody, I say that the Administrator did not rise to a proper appreciation of his responsibilities when he allowed the notice to which I have referred to be issued by the magistrate without reproving him for his conduct. That notice was brought under his attention when he was asked to furnish a report upon the subject. As a matter of fact, he even forwarded the notice with the other papers bearing upon the case, but without uttering a word of comment in respect of this grave proceeding. In the case of Chief Surveyor Richmond, there is another circumstance which, to my mind, is a direct reflection upon the Administrator. When Richmond made his charges the Administrator suspended him. In doing so he acted strictly within his rights. But the proper tribunal to decide whether or not Richmond's charges were correct was the Commonwealth Government. Instead, however, of leaving the determination of the matter to the Government, the Acting Administrator decided to bring it before the local Executive Council, of which Richmond was a member. When it was found that a number of the members of that body were likely to side with Richmond, the extreme course was resorted to of swearing in a new member in order to secure a majority against him.

Mr. CAMERON.—Did the swearing in of a new member make more than the proper number of members upon the local Executive Council?

Mr. WATSON.—I am not quite certain; but that is not material to the point at issue. The point is that the Administrator was so anxious to secure a majority in the Council against this officer—the Chief of the Survey Department—that he swore in a new member. That gave him a majority.

Mr. CROUCH.—Does he admit that the new member was sworn in for that purpose?

Mr. WATSON.—The new member was sworn in immediately before the question was dealt with by the Council, and it seems to me that practically there is no answer to my contention. To my mind, that act was an evidence of incapacity on the part of the Administrator. Any sensible man would have referred the whole question to the Commonwealth Government or to His Excellency the Governor-General.

Mr. CAMERON.—It shows a want of fairness.

Mr. WATSON.—Viewed from any stand-point, the incident does not appear to reflect credit on a man occupying such a position. I do not wish it to be inferred that I am insinuating that Captain Barton deliberately went out of his way to injure Mr. Richmond, but I do say that he has throughout shown a lack of capacity. He has shown, to begin with, that he is not able to manage men or to control affairs in the way they should be controlled by one holding so important a position. That is the only charge—if it be a charge—that I desire to make on the present occasion. Coming to the question of the responsibility of the Government, it seems to me that they must have made up their minds some time ago that Captain Barton was not the best man for the position of Administrator. If they did not arrive at that conclusion, why did they consider it necessary to go to so much trouble in endeavouring to secure the services of Sir William McGregor? I admit that Sir William McGregor did splendid work in Papua.

Mr. WILKINSON.—He is a "has been."

Mr. WATSON.—It is true that he is becoming an elderly man.

Sir JOHN FORREST.—He is only about fifty-nine years of age.

Mr. WATSON.—I can well understand the Treasurer, who is only fifty-nine, regarding that as a comparatively early age.

Mr. DEAKIN.—He considers that a man of fifty-nine is at his best.

Mr. WATSON.—Quite so; but the right honorable gentleman would hesitate to undertake in the tropics work that he would have been prepared to carry out there twenty or thirty years ago. I am sure that he would scarcely care to again undertake at his time of life many of the great services which, as an explorer, he rendered to Australia in his younger days. At all events, the attempt on the part of the Government to secure the services of Sir William McGregor was a clear indication that they had arrived at the conclusion, after an experience extending over several years, that Captain Barton, although he might be an honorable and an estimable man, was not fit to discharge the important duties intrusted to the Administrator of Papua.

Sir JOHN FORREST.—Does the honorable member think that, if we induced Lord Roberts to take command of our Forces,

on all the military officers of the Commonwealth?

Mr. WATSON.—I do not say that it would be a reflection on them, but it would be tantamount to an admission that the Government felt that they could not obtain locally as good a man to act as General Officer Commanding.

Mr. CARPENTER.—But in this case, one man was to supplant another.

Mr. WATSON.—That is so. Captain Barton had practically been acting as Administrator for three years, and it was decided—very properly, I think—to endeavour to enlist the services of another man to take his place. I fail to see how the Government can reconcile the stand they are now taking with their earlier action. They professed to believe that Captain Barton was not the proper man to discharge these duties—

Sir JOHN FORREST.—He has had some experience.

Mr. WATSON.—Having failed to secure the services of the gentleman whom they thought most desirable to act as Administrator, they proceeded to appoint a Commission to take the whole responsibility off their shoulders and to shelve the matter for a considerable time.

Mr. WILKINSON.—And what sort of a Commission is it?

Mr. WATSON.—I have no desire to criticise the *personnel* of the Commission, but it is not such a body as I should have chosen for the work to be dealt with. That, however, is not the chief point that I have in mind. The point is that the Government should have been prepared to decide this matter upon the information at their command. I do not say that the Richmond difficulty could have been so decided, but the question of appointing an Administrator must have been practically decided by them when they agreed to endeavour to secure the services of Sir William McGregor. What will be the result of the appointment of this Commission? It will mean another three, four, or six months of inaction, so far as Papua is concerned. During the last four or five years, there has been a policy of drift in regard to the Territory, and I think that we shall not have a chance of recouping any reasonable proportion of the £20,000 per annum which we have voted until the drift has been arrested.

Mr. CAMERON.—We should make Papua self-supporting.

that, the sooner we arrest the drift the better, and the first step in that direction will be the appointment of a man vigorous in mind and body to the office of Administrator. I do not care who is appointed. I have heard a number of names suggested, but the question of who is to be selected for this office is not material to the point at issue. It is for the Government to say who among those offering is the best fitted to carry on the work. There is a growing necessity for the appointment of a man who is mentally and physically vigorous. Complaint after complaint has been ventilated in Parliament, or in the press, as to the difficulties placed in the way of traders, miners, and the white settlers generally in Papua. Complaint is made that men cannot secure land—that they cannot obtain a decision in respect to applications for holdings. Quite a number of cases of that kind have been published, and practically no defence has been made.

Mr. BROWN. — The white settlers also say that they cannot secure fair treatment.

Mr. WATSON.—The miners say that they cannot; but I do not pretend to be able to express an opinion on that point. I do say, however, that the condition of the settlement, the state of the tracks, and so forth, as well as the complaints of which we have heard and read, all prove conclusively that there is every need for a change. That being so, I regret very much that the Government have seen fit, by the appointment of a Commission, to shelve this matter for some considerable time. It would take the Commission some time to reach New Guinea, some time to make its inquiries, and some time to return.

Mr. DUGALD THOMSON.—What are they going to inquire into?

Mr. WATSON.—I do not know. I presume, however, that a number of complaints will be brought before them, and that they will have to deal with them. Whether any matters have been specifically referred to them I cannot say.

Mr. DEAKIN.—The papers have been laid on the table.

Mr. WATSON.—Has the Commission been laid on the table?

Mr. WILKINSON.—It has been kept back till the last moment.

Mr. DEAKIN.—The papers to which I refer were laid on the table about ten days ago, and they fully explain what is to be done.

Mr. WATSON.—Even granting that the Commission is composed of clear-sighted, conscientious men, it will still have a most difficult, not to say delicate, task to perform. The Commission are asked to say whether Captain Barton is so incapable, so inept, that he should be superseded; they must set down in black and white their opinions on that point. I take it that that is what they are practically asked to do—to brand him as a man unfit to undertake such work in the Imperial service.

Mr. CARPENTER.—They are not likely to do that.

Mr. WATSON.—It is a very awkward position in which to place sensitive men.

Sir JOHN FORREST.—At any rate, I suppose they will give some reasons.

Mr. WATSON.—The disposition of the right honorable gentleman in these circumstances—

Sir JOHN FORREST.—What would the honorable member have done?

Mr. WATSON.—I should have taken the responsibility of either affirming the appointment of Captain Barton as Administrator, or of appointing some one else. If the right honorable gentleman has not sufficient courage to take either of these courses I cannot help it.

Sir JOHN FORREST.—The honorable member might have done a grave injustice.

Mr. WATSON.—I might have done, but as a member of the Cabinet I should have had the advantage of information that is not now before me. The right honorable gentleman has had at his command all the official papers that are in the Department. It has been open to him to consider the question in detail, and, having done so, to arrive at a decision.

Mr. McWILLIAMS.—But this matter does not come within the Department of the Treasurer.

Mr. WATSON.—I am aware of that. The right honorable gentleman asked me what I should have done had I been a Minister, and I am pointing out that all the departmental papers are at his command. The question involved is not a highly technical one. It is simply one relating to administrative capacity. Surely one could form an opinion on that question without prying into every detail of the life of Captain Barton or of his subordinates. The sole question is whether, in view of the resources at his disposal, Captain Barton has done the best

for Papua. I contend, with all deference to the opinion of others, that that is a question which could be settled by Ministers in Cabinet on information already at their command.

Sir JOHN FORREST.—I have never heard anything against Captain Barton.

Mr. WATSON.—I have not heard anything against him personally, but the right honorable gentleman's hearing must be defective if he has not caught the sound of serious complaints in regard to the general administration of Papua.

Sir JOHN FORREST.—I have heard that some people wish to get rid of Captain Barton in order to put some one else in his place.

Mr. WATSON.—If that is the only point involved, why have not the Government confirmed Captain Barton's appointment? Why have they bothered about the appointment of a Commission? I should honour the Government for confirming the appointment of Captain Barton if they were convinced that he was a good man, capable of doing excellent work, and deserving of the position of Administrator.

Sitting suspended from 6.30 to 7.30 p.m.

Mr. CROUCH (Corio) [7.30].—I regret that the honorable member for Herbert, in his criticism of the administration of Papua, said that he is sorry that the Commonwealth has taken over that Territory. Great Britain has been described as a weary Titan. Her burdens of Empire are so enormous that her statesmen may be pardoned for sometimes regarding them as too great to be borne. But we shall not live up to our duties and responsibilities if, after five short years, we, a vigorous and thriving young Commonwealth, adopt a tone of pessimism in regard to our only Territory. The honorable member's remark was certainly not made in the spirit of an Empire builder; this is not the note of Empire. The position occupied by the United States of America is not quite the same as ours, because its Governments have always had to control Indian populations, and have thus acquired considerable experience in dealing with subordinate races. It is only since the recent Spanish war, however, that that country has acquired territory outside her own borders, and in the Philippines has now to govern a small minority of whites living in the midst of a large majority of coloured peoples. The United States have made

mistakes, and the Taft Commission was appointed to inquire into the administration of their oversea territory. No doubt the Commonwealth, too, will make mistakes in its administration of Papua. Democracies and republics are not ready enough to recognise that a benevolent autocracy is the form of government best suited to coloured peoples. To apply constitutional democratic methods is to court failure. What is necessary is the strong man with the strong hand, whose internal administration—as long as it is fair and just—will be uncontrolled. While the 600 whites in Papua understand constitutional democratic government, the natives there have always been accustomed to be ruled by brute force. Their traditions and their laws teach them to recognise the Government which is seen to have force and power behind it. In regard to the O'Brien case, I do not know who was in the wrong, but I would point out that on the confines of the Empire we cannot govern in kid gloves. A white man cannot be allowed to flout law and order merely because his gaoler is a black man, and should not expect to be treated in Papua exactly as he would be treated in Melbourne.

Mr. WATSON.—But the authorities should keep within the laws laid down for their guidance.

Mr. CROUCH.—Sometimes what appears the most illegal process is the wisest and best to pursue. I understand that O'Brien was locked up on a charge of assault, and made his escape in defiance of the authorities. If that is so, it was the duty of the magistrate to assert his position, so as not to allow the natives to think that white men or black can flout the power of the Commonwealth. O'Brien should have been shown that he would not be allowed to break the law merely because his gaoler was a black man.

Mr. WATSON.—No one objects to observance of the law being required; but the magistrate said that O'Brien might be shot on sight.

Mr. JOHNSON.—Is there any proof of that?

Mr. WATSON.—Yes; the fact is stated in the papers.

Mr. CROUCH.—Apparently the man was declared an outlaw, but no doubt the King's authority had to be maintained.

Mr. WATSON.—The honorable and learned member would not have tolerated it had he been concerned.

Mr. CROUCH.—I can conceive of circumstances in which, if I were a magistrate, I would feel it my duty to act very summarily, and no doubt the honorable member for Bland would support me in doing so. It is regrettable that the Royal Commission has been appointed at the request of Captain Barton, though I do not think that it is intended to be a white-washing Commission. If the Ministry think that information is required which can be obtained only by this means, well and good. The fact that its report cannot be presented before the dissolution of the present Parliament is immaterial, because the next Parliament will have a free hand to deal with the whole matter, and its members will be fortified with the evidence placed before them by Commissioners whom I have not heard spoken of as either incapable or objectionable. For my own part, I shall welcome information in regard to the best way in which to administer Papua, no matter whence it comes. We have no right to criticise those who are administering this Territory, unless we have full knowledge of all the facts. They are engaged in performing a very difficult task, and if we weaken their hands by adverse criticism without knowing the real facts, we shall not only injure them, but shall injure the Commonwealth, too. A white population, living in the midst of a large black population, is always inclined to be turbulent, and discontented, because its members have been used to constitutional government, and are not favorably disposed to other methods. Consequently, the Administrator and his officials have a very difficult task, and it is our duty to see that, so long as they do right, they are assisted in upholding and asserting the supremacy of the flag and the authority of the Commonwealth and of the Empire.

Mr. WILKINSON (Moreton) [7.40].—I shall not labour this question, because I have already spoken upon it. In my opinion, the Government have not kept faith with honorable members in appointing this Royal Commission. Knowing one or two of the Commissioners, I do not think that the best men have been chosen. The white people who have gone to New Guinea have, no doubt, done so to further their own interests, but they cannot do that without developing the resources of the Possession, and they have not received that consideration from the Administration which is their due. It is all very well to talk about the

consideration that has been shown to the natives. I do not think that any one has found fault with the way in which the natives have been treated. Although Mr. Atlee Hunt has described the miners of Papua as a rather rough lot, he had to pay them the compliment of saying that they have co-operated with the Administration in keeping intoxicants from the natives. They cannot be very rough, since they will not descend to making use of native labour for the carrying of their tools and rations.

Mr. JOHNSON. — Miners are always a chivalrous class of men.

Mr. WILKINSON.—Exactly. It seems to me that those who have been sent to Papua to inquire into the conditions of life there have shown a certain degree of prejudice in characterizing these chivalrous men as a rough lot. Mr. Hunt, in the concluding paragraph of his report, says:—

I hope that full recognition will be given to the two duties to which reference has been made as being imposed on us by our acquisition of British New Guinea: the one to our dark-skinned fellow-subjects—to give them the advantages of civilization, divesting them, so far as we are able, from the evils that too often follow in their train; the second to ourselves—to make the fullest use of the goodly heritage it is our privilege to possess.

I do not think that the people of the Commonwealth know what a goodly heritage the Possession is. Hitherto the Administrators of the Territory have not done their best to develop it. I have no personal knowledge of Captain Barton, and therefore have no feeling against him or his predecessors; but, in my opinion, while they have been trying to bring the natives under the influences of European civilization, and to get them to conform to our customs and habits, they have not given that attention to the development of the resources of the Territory which they should have given. There are in the Possession indigenous plants of high economic value that will grow and yield a large return with a minimum of labour. But what has been done? The revenue of the Possession falls short of the £20,000 which we are paying for its upkeep. It amounts to a little more than £19,000. The condition of affairs should be very different in a country like Papua, where the possibilities are so great, and where the soil is equal in fertility to any in the world. When we compare what has been done in Papua, with what has been accomplished in German New Guinea, we have every

right to declare that the administration of the former has not been a success. The Germans have accomplished infinitely more than we have done, although the possibilities of their territory are not so great as are those of Papua. It is a matter for regret to me, as an Australian, that Germany was ever allowed to set foot upon the island. Like many other persons in Queensland, I was politically opposed to the late Sir Thomas McIlwraith, but I recognise him as one of our Empire builders, because of the action which he took in connexion with New Guinea. He did the right thing at the right time, but Britain did not support him. If it had not been for the remissness of the Imperial authorities upon that occasion, we should have been in occupation of that portion of New Guinea now held by Germany, and we should not have had a power, which may possibly become hostile—although I hope not—within easy reach of our shores. To our shame be it said, that Germany has developed her portion of the island, whilst we have allowed our Territory to remain in a state of nature, and have contented ourselves with trying to induce the natives to conform to laws which they do not understand.

Mr. DUGALD THOMSON.—According to the honorable member's argument, Germany should have taken possession of the whole of the island.

Mr. WILKINSON.—My argument is that we should change our policy, and maintain the prestige of the British race, which has been the great colonizer of the world in modern times. I think that Great Britain is losing her prestige as a colonizing power, when she permits another nation to get ahead of her upon territory adjoining her own, and possessing smaller potentialities. In every other part of the world where Britain has planted her Colonies she has been successful.

Mr. HENRY WILLIS.—Papua has not been a failure.

Mr. WILKINSON.—It has been a failure so far.

Mr. HENRY WILLIS.—I think that the Administrators have done remarkably well.

Mr. WILKINSON.—They have done so well that some of the plantations laid out by Sir William McGregor became so hidden in the scrubs that it was only within the last year or two that they were rediscovered. I freely admit that the new land ordinances will remove many of the

evils of which we have complained, but I think that the Prime Minister will grant that no matter how good the law may be, it will not prove effective unless it is administered by sympathetic officials.

Mr. HENRY WILLIS.—No laws will remove the malaria from the country.

Mr. WILKINSON.—The honorable member should not air that old fad. Malaria was once prevalent round about the Hawkesbury River, in New South Wales, and the settlers at Botany Bay and Sydney were at one time at the point of starvation, and had to await the arrival of provisions from England. The first case of malaria and fever and ague of which I ever heard was contracted on the banks of the Hawkesbury River. Wherever virgin soil is turned up, malaria becomes prevalent. It is not peculiar to the tropics, but is met with in the Arctic regions. I have heard people speak of New Guinea fever and Gulf fever and malaria as if a white man could not live in tropical regions where such diseases are known to exist. Some of the best men in Australia, however, are living well within the tropics. We are, however, dealing with the administration of Papua, and not its climatic conditions. The Government have admitted that the present administration is not satisfactory, inasmuch as they have approached Sir William McGregor with a view to inducing him to accept the position of Lieutenant-Governor. If that gentleman had consented, Captain Barton would have been superseded; Sir William McGregor cannot, however, make it convenient to come here.

Mr. HENRY WILLIS.—Why not?

Mr. WILKINSON.—I cannot tell the honorable member.

Mr. HENRY WILLIS.—He can read between the lines.

Mr. WILKINSON.—It is quite possible. Perhaps he knows that, if the Government appointed him, they would act against the wish of Parliament.

Sir JOHN FORREST.—Why does the honorable member say that?

Mr. WILKINSON.—I think that the majority of honorable members are opposed to the appointment of Sir William McGregor.

Mr. DUGALD THOMSON.—Why does the honorable member conclude that?

Mr. WILKINSON. I gather that from the opinions I have heard expressed all round. The administration of Papua under the Commonwealth should be a credit

to us, and the Possession should be self-sustaining. Mr. Atlee Hunt suggests the necessity for a change in the administration, and also that it should have at its head an Australian citizen, in close and recent touch with the aspirations of the Commonwealth, and with the needs, requirements, and conditions of Papua. He says—

It is not apparent that they (the Administrators) have been working in furtherance of any well-defined object.

Mr. HENRY WILLIS.—Mr. Hunt was in Papua for only about ten minutes.

Mr. WILKINSON.—I do not care whether he was there for ten minutes or ten months. The Government are apparently acting upon his report. I think that it is about time that we began to work in furtherance of some well-defined object. Mr. Hunt further says—

It will be generally agreed that the time has now arrived when a goal should be set up to the attainment of which the Government officials should be instructed to employ their best endeavours.

At page 20 of his report, Mr. Hunt bears out my contention when he says—

It is, of course, not money alone that is necessary, but I feel confident that we in Australia can find the men possessed of the foresight, industry, and ability necessary to guide this great enterprise to a successful issue.

The Government do not take that view. They have gone to Newfoundland to secure a man to place at the head of the administration. Having failed in that direction, they have appointed a Royal Commission to make it appear that Captain Barton is the best man for the position. That is how it appears to me. One of the members of the Royal Commission is well known to me in his official capacity. I refer to Mr. Parry-Okeden, the late Commissioner of Police in Queensland. He is a man of considerable ability and bush experience, the latter having been gained for the most part in southern Queensland. He has been called the man from the Snowy River. He was born upon the slopes of Kosciusko, or somewhere in that neighbourhood, and he is to be sent to New Guinea to specially inquire into the conditions of that tropical country. Had the Government really been earnest in their desire to secure the best information concerning the development of the Possession, they would have appointed to that Commission men who were possessed of a knowledge of tropical conditions—men who had lived in the northern portion of

Queensland or in the Northern Territory, and who had had experience of association with a virile race of natives such as is not to be found in the southern part of Australia. They would have limited their selection to individuals who have had to establish homes in tropical regions, and to blaze tracks for others who might come after them. It is from this class that Commissioners should have been chosen to inquire into the conditions which are likely to lead to the development of New Guinea. The appointment of a Commission to inquire into that question comes as a surprise to those who have taken an interest in it. We were led to believe that no action would be taken until the House had an opportunity of dealing with the subject. Yet, short of the appointment of the Lieutenant-Governor, the most definite action has been taken by the Government. I am aware that we cannot undo the appointment of the Royal Commission. That is beyond our power. But I do think that we have not been fairly dealt with in this matter, and that an opportunity should have been afforded honorable members to fully and freely discuss the position before the Government took any step such as that to which I have referred.

Mr. KELLY (Wentworth) [8.4].—It is very refreshing to find my socialistic friends at last exhibiting a lively interest in the public business. Three out of the four members who have already spoken upon this question have been members of the Labour Party.

Mr. TUDOR.—There are more to follow.

Mr. KELLY.—It must be some extraordinary occasion which brings the members of that party together in such strong force—an occasion which does not concern the country at large so much as it does the party itself.

Mr. WATSON.—A little while ago the honorable member was talking about unfairness. His remark is very fair.

Mr. KELLY.—The honorable member exhibits extreme sensitiveness!

Mr. WATSON.—I object to unfair insinuations as to motives even when they come from the honorable member.

Mr. KELLY.—Then I should strongly advise the honorable member not to make unfair interjections. This afternoon he made about as mean an interjection against the honorable member for New England as it was possible to make.

Mr. WATSON.—That is incorrect. I would say something more if it were parliamentary.

Mr. KELLY.—The honorable member would say whatever suited him, whether it was true or not.

Mr. WATSON.—I rise to a point of order. Is this impertinent jack-a-napes to be allowed to insult honorable members?

The CHAIRMAN.—The honorable member for Bland must withdraw that remark.

Mr. WATSON.—In deference to you, sir, I withdraw, but I would ask whether the honorable member is in order in making statements such as he has been making during the last few minutes?

The CHAIRMAN.—If the honorable member for Wentworth has said anything to which the honorable member for Bland takes exception, I am sure that he will withdraw it.

Mr. KELLY.—I do not wish to debate the capacity of the honorable member for Bland to make unfair interjections. I was merely remarking that it was very refreshing to see my honorable friends present for the purpose of cracking a socialistic whip over the Government. Of course, we cannot expect the latter to interpose in a debate of this character until they have ascertained the will of the Committee. But may I suggest that this is too small a matter for such a loud crack of the socialistic whip. The whole question relates to one billet which is being very worthily filled at the present time.

Mr. WILKINSON.—The question involved is the administration of the Possession.

Mr. KELLY.—Is the honorable member content to allow the present Administrator to retain his office?

Mr. WILKINSON.—I say that the administration of the Territory has not been what it ought to have been.

Mr. KELLY.—After all, the sole object of the intelligent interest which the Labour Party are exhibiting in national affairs is to secure the removal of one man from a billet which he is occupying with credit.

Mr. WILKINSON.—He is not occupying it with credit.

Mr. KELLY.—That is where we agree to differ. The socialistic party has obtained many concessions from the Government.

Mr. BAMFORD.—It is not long since the honorable member himself took up a similar attitude with regard to another gentleman.

Mr. KELLY.—I have never sought to oust any member of the Public Service from his position.

Mr. WATSON.—That is not correct.

Mr. KELLY.—It is correct, and I challenge the honorable member to disprove it. It seems to me that the genesis of the whole trouble is the anxiety of the Labour Party to get a gentleman who is in "recent and complete touch with Australian thought" into the position of Lieutenant-Governor of New Guinea. They desire to oust the present occupant of that office, and to secure the appointment of a gentleman whose claims have been persistently canvassed in each of the Houses of this Parliament. That would mean that the Labour Party would have a much easier election to fight in Western Australia than would otherwise be the case.

Mr. WATSON.—That is worthy of the honorable member.

Mr. KELLY.—In a matter of this kind it is as well to get the gloves off.

Mr. WATSON.—And therefore to tell untruths.

Mr. JOHNSON.—I rise to a point of order. Is the honorable member for Bland in order in accusing another honorable member of telling untruths?

The CHAIRMAN. — The honorable member for Bland would not be in order in accusing any honorable member of telling untruths, but I did not understand him to do so. If he did, I am sure that he will withdraw his remark.

Mr. WILKINSON.—I should like to ask whether the honorable member for Wentworth is in order in imputing motives to us by declaring that we are advocating the claims of a certain member of this Parliament? I gave his statement a flat denial.

The CHAIRMAN. — The honorable member for Wentworth would not be in order in imputing dishonorable motives to any honorable member.

Mr. JOHNSON.—They are not dishonorable motives.

The CHAIRMAN.—I must remind the honorable member for Lang that it is not in order for an honorable member to interrupt when the Chairman is speaking.

Mr. KELLY.—If this agitation on the part of my socialistic friends were successful, it would inevitably make an election in Western Australia more simple for them than it otherwise would be.

Mr. TUDOR.—We shall get three members returned to the Senate just the same.

Mr. BAMFORD.—That is merely a side issue.

Mr. KELLY.—As long as the honorable member admits it is an issue at all I am satisfied. I merely wish to say now that if we require as Lieutenant-Governor of New Guinea a gentleman who has been in close and recent touch with Australian political thought, the Treasurer might very well be appointed to that highly ornamental billet.

Sir JOHN FORREST.—I am not a billet hunter.

Mr. KELLY.—I do not think that the Treasurer is! If, however, he thought it would be to the interests of the Commonwealth that he should go to that distant Possession, I am quite sure that he would go.

Mr. DEAKIN.—We cannot spare him.

Mr. KELLY.—I can conceive of nobody who is better qualified for the position than the Treasurer, because he has been in close and recent touch with every political party in Australia.

Mr. DEAKIN.—He has the admiration of them all.

Mr. KELLY.—Exactly; and they are, therefore, all anxious to see him take up this arduous post. However, I have no desire to continue this line of reasoning. In dealing with the office of Lieutenant-Governor of New Guinea, our first consideration must be the natives of that Possession. The administration of the Territory chiefly concerns them. The present occupant of the office of Lieutenant-Governor is a gentleman who is heart and soul in sympathy with the natives. Certain honorable members appear to think that he is a man who has made no sacrifices, and who, to quote the words of the honorable member for Moreton, "has lived in carpeted halls."

Mr. WILKINSON.—I think that he has considered the natives in every way. I said that all the Administrators of the Possession have been very considerate to them.

Mr. KELLY.—And the present Administrator has been no less considerate than has any of his predecessors. This afternoon the honorable member for Bland stated that land concessions in the Possession could not be obtained, despite the fact that applications for them had been made more than two years ago. Does not that statement suggest that the cause

of the delay may rest with this House? I shall refer honorable members to the Papua Act passed last session.

Mr. WILKINSON.—It has not yet been proclaimed.

Mr. DEAKIN.—It is just proclaimed, and will come into force on 1st proximo.

Mr. KELLY.—The honorable member will admit that it has been in print for some time, and I do not think that an Administrator worthy of his position would have done anything pending its proclamation contrary to the spirit of the Act.

Mr. WATSON.—In some cases these applications have been in abeyance for two years.

Mr. KELLY.—And it is something like four years since the Papua Bill was first introduced. I propose to quote a provision from the Act for which this Parliament must inevitably take the responsibility. In the first place, the fee-simple of Crown lands in Papua is not to be alienated.

Mr. WILKINSON.—The same condition applies throughout the Malay Federated States.

Mr. KELLY.—That does not affect this issue.

Mr. FRAZER.—What did Captain Barton say as to the non-alienation of land?

Mr. KELLY.—Whatever his opinions may be, the honorable member knows that he has always endeavoured to loyally uphold the statute. In section 41 of the Papua Act it is provided that—

The Lieutenant-Governor shall not assent to any ordinance of any of the following classes, unless the ordinance contains a clause suspending its operation until the signification of the Governor-General's pleasure thereon:—

2. Any ordinance dealing with the granting or disposal of Crown lands.

The honorable member for Bland has complained that Crown lands have not been alienated, and yet under this Act they cannot be alienated.

Mr. WATSON.—What I said was that applications for land had not been dealt with.

Mr. KELLY.—They were held over, perhaps, until the passing of this Act.

Mr. WATSON.—No. Applications were practically made long before the Papua Bill was on the stocks.

Mr. KELLY.—That would be more than four years ago.

Mr. WATSON.—Less than that. At the time in question there were existing ordinances in relation to the lands of British

New Guinea, and the applications to which I refer—applications for trading sites consisting of, perhaps, an acre, or a fourth of an acre—should have been dealt with within a reasonable time.

Mr. KELLY.—If the honorable member held office as Lieutenant-Governor of Papua, would he be prepared to act on an existing ordinance, when he knew that a measure was being considered by the governing power which would affect that ordinance?

Mr. WATSON.—But the Administrator might give a man permissive occupancy of a trading site.

Mr. KELLY.—I presume that would mean an alienation of Crown lands.

Mr. WATSON.—Not necessarily. A man could be given some form of tenure that would enable him to occupy, perhaps, a quarter or a half-acre block.

Mr. KELLY.—Then, again, in sub-section 7 of section 41, we have a provision applying to—

Any ordinance relating to the sale or disposition of or dealing with lands by aboriginal natives of the Territory.

It is quite possible that native lands were applied for. Under this Act those lands cannot be disposed of. It is very clear that the case which the honorable member for Bland has put is one for which the responsibility lies largely at our own door, and not at the door of the Lieutenant-Governor of Papua.

Sir JOHN FORREST.—I think that the alienation of Crown lands was stopped as soon as we agreed to take over the Territory.

Mr. WATSON.—But I am speaking only of occupation, not of alienation.

Mr. KELLY.—Sub-section 7 relates not only to the sale, but to the disposition, of native lands.

Mr. WATSON.—The honorable member is arguing around the question. I say that the land to which I refer was available, and that it was the fault of the Administrator that applications were not dealt with within a reasonable time.

Mr. KELLY.—The honorable member is usually very reasonable. I think he will admit that, if he wished the Committee to support him, he should have shown at the outset that that was the position. He has just said for the first time that the land in question could have been dealt with by the Lieutenant-Governor. But even now he has adduced no proof of his contention. I have mentioned one instance in which this

Parliament has expressly prevented the disposition or alienation of Crown lands in Papua, and, so far as they are concerned, the Parliament must accept the responsibility. How are we going to bring about the development of these possessions of the Commonwealth unless we allow their products free entry into Australia? How can we grant any means for developmental purposes unless we give the people of Papua a market for their produce? Honorable members of the party who are now complaining would be the first to deny to the Papuans a market in Australia for their products.

Mr. WATSON. — That is another base assertion.

Mr. KELLY.—Would the honorable member allow the products of Papuan labour from British New Guinea free entry into the Commonwealth?

Mr. WATSON.—Under reasonable conditions. I would give them a preference, but I would not admit the products of all black labour on the same conditions as those of white labour.

Mr. KELLY.—We wish to know what the honorable member means by "preference"?

Mr. WATSON.—I cannot explain by way of interjection.

Mr. KELLY.—I shall give the honorable member an opportunity in a few moments to explain what he means. I have pointed out two directions in which we can help to develop Papua. The responsibility for not having availed ourselves of these opportunities rests absolutely with us, and not on any gentleman who may be, for the time being, administering the Possession. The present Administrator has very ably filled his position, and it is unworthy of this Parliament to make an attack upon him on no better grounds than the flimsy ones which have been mentioned during this debate.

Mr. DEAKIN (Ballarat—Minister of External Affairs) [8.21].—The honorable member who has just resumed his seat has made some reference to possible aspirants for this position that demands attention before the main question is dealt with. We all know that a member of this Parliament has paid special attention to tropical countries, and the best methods of dealing with native labour and tropical products. The Government have received recently from the honorable senator in question a very valuable report, and prior

to that he had given the best evidence of his practical attention to these questions. I suppose I see more of the honorable senator in this building than most honorable members. During the refreshment hour he occupies a seat close to me, and I have often seen him on business matters outside this House. Never at any time, however, has he directly or indirectly suggested to me any ambition of his own to occupy such a position as that of Administrator of New Guinea.

Mr. WATSON.—Nor so far as I am concerned has there been any canvassing.

Mr. DEAKIN.—It is only due to the honorable senator who has been so directly indicated that his name might as well have been mentioned, to say that at no time has he taken any step, directly or indirectly, or so expressed himself, as to indicate any effort to secure such an appointment. At no time has he attempted to influence my judgment in connexion with Papua.

Mr. KELLY.—I never said that he had.

Mr. DEAKIN.—That is so. So far as I know, he has not attempted to influence the minds of my colleagues.

Mr. KELLY.—I said that some honorable members were anxious to secure his appointment.

Mr. DEAKIN.—That may be because they think he is the best man they know for the position; it may be for other reasons besides his undoubted ability. The question as to the way in which the products of Papua shall be dealt with by the Commonwealth will be a practical one at no very distant date. At present it is not. With the exception, perhaps, of a little coffee, the Papuans are producing nothing that is affected by the Commonwealth Tariff. But when we seek to develop the agricultural resources of the Territory, we shall be confronted with the question of what encouragement should be held out to the white settlers whom we hope to see planted there. That will become at no very distant date, a practical question, at present, unhappily, it is not. May I point out that the whole history of this Possession has been marked by ill-fortune. In the first place, it includes only half the area that we ought to have obtained: in the next, when, in consequence of pressure from Australia, control was accepted by the Imperial Government, it was used unwillingly and in the most grudging fashion. Whatever was accomplished during the early years, when Sir William

McGregor was Lieutenant-Governor, was due entirely to his own energy, initiative, and courage, and not to the stimulus he ought to have received from the Colonial Office. During the time it remained under the care of Downing Street, British New Guinea was a foster-child. It was unwillingly adopted, and received scant consideration. Then, in my opinion, it was prematurely forced upon the Commonwealth. In view of the action previously taken by the people of Australia, we could not refuse the obligation, nor would we have sought to refuse full control, when free to give it the attention it deserved. Unfortunately, we had to take over nominal control, and to accept our share of a dual responsibility at a period when, owing to pressure of other responsibilities, this Parliament was quite unable to give to the questions affecting Papua the careful attention they required.

Mr. DUGALD THOMSON.—We accepted it by our own act.

Mr. DEAKIN. — Only in consequence of insistent pressure. We were perfectly willing to accept it; but it was forced upon us too soon. The Imperial Government declined to continue the administration of the Territory, and required that we should, within the shortest time, take over responsibility for it. A delay of a few years would have been immaterial to them, but would have meant much to the Possession. When we acquired authority, we were confronted, not only with the difficulty of the dual control, as it may be termed, but by the fact that we had not the time or the opportunity to deal with the land, labour, or liquor laws. Fortunately, the latter needed no amendment. No new laws were promulgated pending the passing of the new Constitution. That passed last year, and will come into operation on the 1st prox. In a technical sense, it has not been proclaimed; but the Governor-General in Council has authorized the issue of the proclamation. Strictly speaking, the proclamation will take place on the 1st of next month, when, from being a Crown Colony—governed according to the wishes of the Government of the Commonwealth, but through the Governor-General as representative of the British Government—Papua will become the first Territory of the Commonwealth under our Constitution, and under this Parliament. As honorable members are aware, we have lately taken the steps necessary to add to the Legislative Council the three members whom

we were authorized to appoint. They will be representatives of the three small communities in the Territory. The new laws which have already been drafted and revised by us will be submitted to the new Council, on which the nominees are men who, so far as we can judge, would have been chosen if an election had been authorized. There are in Papua not quite 600 whites, of whom from 120 to 130 are women, and a few children.

Mr. WATSON. — The honorable and learned gentleman says that these men would have been selected, "so far as we can judge." He means so far as the Administration in Papua can judge?

Mr. DEAKIN.—Those who have been chosen have taken a prominent part in local movements among the white residents, and are generally considered representative men.

Mr. WILKINSON.—Will the Council be elected in the future?

Mr. DEAKIN.—That is a matter for Parliament to determine. The new Acts have been returned with our suggestions for revision, which were laid on the table and, I think, generally approved. We are at last in a position to make a start. Ever since the acquirement of the Territory its administrators have had to struggle against grave difficulties, many of which are such as cannot be removed by any Constitution. It must be remembered that we are dealing with a country where a black population will probably always immensely outnumber the whites, who are few and scattered. There is no telegraphic communication with the mainland, and the Territory has to be governed from a distance of more than 2,000 miles, communications taking from six weeks to two months to go and return. In parts of Australia we have to deal with tropical conditions, and with sparse settlements, but the difficulties of doing so are very much greater in Papua. When a complaint is received from a white settler there, the map must be consulted to ascertain where he has made his home, and how far it is from the nearest mission station, or the residence of the nearest of our half-dozen district magistrates. The great distances, absence of roads, consequent isolation and climate, must be taken into consideration in appreciating the courage and persistence of the settlers of Papua, and the difficulties of its administration.

Mr. WILKINSON.—The officials have the constabulary to protect them, whilst the settlers have not.

Mr. DEAKIN.—The native constabulary is an excellent force, but those who have seen photographs of its dusky members will not regard it as constituting society for white officials. As to protection, the settler gets as much as we can afford, and as much as he needs, the miner in Papua, as elsewhere, being generally well able to protect himself. Weary distances separate the homes of many of the settlers from the residences of the nearest officials and the seat of Government at Port Moresby, and it is rarely that even small boats ply along the coast. Many of the evils of the trying climate will diminish, and perhaps disappear, as the white inhabitants adopt the modern methods which are being popularized throughout all British tropical possessions; but at present malaria must be reckoned with. Neither officials nor settlers escape its attacks, which do not tend to improve their tempers or brighten their outlook.

Mr. WATSON.—The Yankees have got rid of malaria at Panama.

Mr. DEAKIN.—They are following the lead set in West Africa, and adopting largely the methods of Sir William McGregor, who is recognised as a leading authority on tropical diseases and complaints. I ask the Committee to recollect these complex considerations in endeavouring to measure the trials of the settlers and the methods of the Administration. It has been suggested that nothing has been done to make the gold-fields of the interior of the country accessible. That is not so. A track is now open from Buna Bay to the Yodda field, a distance of upwards of 70 miles.

Mr. WILKINSON.—When was it finished?

Mr. DEAKIN.—It has not been perfected; but it was cut through early this year.

Mr. WILKINSON. — Since this agitation began?

Mr. DEAKIN.—It has been in progress for the last two years.

Mr. WATSON.—Practically little of it was done until very recently.

Mr. DEAKIN.—A horse or mule can now travel along it as far as a strongly-flowing river, whose name I forget, where the traveller must ferry his possessions across, and obtain another beast if he can for the resumption of his journey beyond. The work has cost a great deal of money, because it has been largely experimental,

but future enterprises of the kind will be less costly. A track, 34 miles in length, leads to Sagari from Port Moresby, passable for either horse or mule. Other tracks have been marked out, and will be gradually cleared. Within the last month or six weeks I have been able to make £750 available for work of this kind. The Government intend that these undertakings, which are preliminary to all settlement, shall be pushed on as fast as funds permit. The question has fairly been asked, why. Ministers, while recognising the difficulties in the way of the present Administration, considered the possibility of persuading Sir William McGregor to return from Newfoundland, where he holds the honorable position of Governor-in-Chief, to a country with whose early days he was associated. Frankly, from this distance, and with the light thrown upon the position by official reports and conflicting communications received from time to time, it is impossible for a Minister to say how far any delay in providing means of access to the mines, or in putting settlers in occupation of land, is due to the circumstances to which I have referred—the distances, the difficulties of transit and of examining the country, and the smallness of the official staff—and how far to other causes.

Mr. DUGALD THOMSON. — Did not the honorable and learned gentleman say that the land laws have been practically suspended?

Mr. DEAKIN.—Yes; but not so as to render it impossible to grant leases, although there has been great delay even in dealing with applications for short leases. The Administrator declares in emphatic language that the Land Office has failed in its duties by neglecting to push forward applications, while those censured have retorted that the delay on their part has been unavoidable, the central executive being chiefly at fault. It is suggested by the papers in the Richmond case, and in one or two other instances, that the officials in Papua are not working together well. But at this distance, having but a slight knowledge of the *personnel* of the staff and of the natural conditions of the country, it is impossible to pronounce definitely either upon the work being done or left undone. Attention has been called to a significant sentence in the report of Mr. Atlee Hunt, who spent a month in the Possession last year.

King says.

Mr. DEAKIN.—The white residents of Papua have no more hesitation about expressing their opinions in regard to official and other reports than have Australians, and their verdict generally is that Mr. Hunt's report, although based largely on the experience of others, is the best compendium we have of the knowledge available, and contains many valuable suggestions. Mr. Hunt called attention to the significant fact that no definite policy appears to have been laid down for the government or development of Papua. Sir William McGregor is a strong, resolute, capable, daring man, who carried his life in his hands from the day he landed. He did not fear to visit, alone and unattended, natives who had never seen a white man, nor heard the English speech, and were unacquainted with the means of protection which firearms afford Europeans. By force of his strong personality, although sometimes acting in high-handed fashion, he dealt with the Possession in such a way that, during his tenure of office, it developed remarkably. This development was due, not to the encouragement given to him, but to his personality and energy. It seemed to us that he, having succeeded under most arduous and difficult circumstances, not in making himself the favorite of every one, but in winning recognition due to his zeal, courage, and devotion to duty, we could not do better than try to induce him to renew his connexion with the Possession which he had been the first to conquer. We were aware that it would be only two or three years before his time for retiring might come, but we hoped that this period would suffice to enable him to do what no Minister residing in Australia can do, that is, to decide how far the progress of the Territory has been impeded by official inertia, mistakes, or neglect, and how far it has been impeded by natural difficulties, the existence of which must be admitted, which would have hampered any Administration. With his knowledge of work and conditions in tropical climates, and his capacity for controlling men, he would have been able to step in and decide how far the existing *personnel* of the Administration was capable of carrying out the forward policy we desire to see adopted. The very fact that we looked to Sir William McGregor implied a certain

the Territory has not made the progress we expected or desired. It is impossible, however, for us to judge how far the Administration is responsible for the tardiness of the development of the Territory, or to decide between the officers who, unfortunately, are not in unison as to the policy to be pursued, or as to the degree of responsibility to be attached to the various Departments. So far as I can see, the officials of Papua are, on the whole, a fairly efficient body of men. Captain Barton is a most amiable gentleman, very deeply interested in the care of the natives. Further, he made a most excellent officer when he was in charge of the constabulary. He has under him a number of other apparently good men, most of them thoroughly interested in their work. In fact, I do not know how any man could remain in such a country, unless he was interested in his work. But there are two distinct lines of thought among those who are resident in Papua, including those who are charged with official duties. Almost the whole of the miners and storekeepers claim that the administration is unsatisfactory, and is not calculated to induce white people to settle in the country or to make the best of its resources. This is also the opinion of a few of the chief officers of the Territory. On the other hand, a majority of the officials are of opinion that it is not possible to afford that encouragement to white settlement, which is desired by the miners and others, without unduly trespassing on the rights of the natives or involving an amount of supervision which the present finances will not permit.

Mr. WATSON.—Has not Captain Barton permitted to fall into disuse the regulations relating to the planting of cocoanut palms by the natives? I admit that he has done extremely well in protecting them against aggression on the part of the whites.

Mr. DEAKIN.—The Administration has made the care of the natives its main object. It has acted in accordance with the traditions of the Colonial Office, which, I think, we may fairly claim are the best in the world, in regard to the treatment of the coloured peoples. We may not be very well satisfied with all our past dealings with subject races, but the task beyond all others to which the Administration in Papua has devoted itself has been the extension of the sphere of

peaceful control of the natives. I am sure that we are all in accord that this should continue to be the main object. A number of the white residents say—and some of the officers, too—that whilst continuing paternal care for the natives, and protecting them as at present, we can bring the unused lands of Papua under tropical cultivation. They urge that this should be done, not only with a view to the profit of the whites, but in order to enable the natives to lead a healthier life. It is an undoubted fact that since village has ceased to war with village, the physical condition of the natives is deteriorating. Nearly every village may be said to be occupied by a separate tribe, and prior to British occupation of the Territory outbreaks used to occur almost yearly between them. This kept up the stamina of the natives, and maintained them in better physical condition than they show when they are mere idlers no longer called upon to protect themselves. There are signs, especially commented upon by the Administrator and his officers, of deterioration among the residents of those villages which have been longest under our control. The one exercise that the natives had previously was the exercise of arms in which they indulged, because of the necessity of protecting themselves against aggression. Now that this necessity is removed they have next to nothing to do, because, being a chivalrous people, they prefer to leave to their wives the task of cultivating the ground, and of providing the supplies which they are graciously pleased to consume, as a favour. Consequently, critics have the support of the Administration when they say that under present conditions the physical condition of the natives is not likely to be maintained at the standard of the old days, and that the encouragement of tropical agriculture coupled with a close control of native labour, such as that now observed, would not only develop the riches of the country, but would provide a measure of beneficent employment for such of the natives as could be tempted to undertake it. Not only would the country be developed, but it would be settled by white men, who would help to insure its protection.

Mr. JOHNSON.—What about providing a market for the products of the settlers in New Guinea?

Mr. DEAKIN. — That will become a practical question as soon as we encourage white settlement in Papua.

Mr. JOHNSON.—I think that it is a practical question now.

Mr. DEAKIN. — Except for a little coffee produced in Papua, we do not receive from there anything that is dutiable. When Papua produces something besides copra, which is free, and a few other articles, which are of no concern, we shall have to consider the question of providing a market for the products of the Territory. I have no doubt that the House will then be prepared to cope with it. It has to be admitted that in Papua there are two currents of opinion, towards one of which the white population inclines, and towards which I think this Parliament is also bound to incline. I think that honorable members will be in favour of adopting an Australian policy of development for the Possession. We already have a considerable area of unused lands, and could easily obtain more without depriving the natives of the very large tracts reserved for their use, which are carefully guarded against encroachment. We have abundance of land for white settlers, and if we had been content to accept a chartered company as a tenant some years ago, we should long before this have had a large area settled and rendered highly productive. The Australian people were unwilling to place any portion of the lands or the labour of Papua in the hands of a chartered company. They preferred to proceed by the slower means of encouraging white settlers to make their homes. It must be admitted that, according to the statement of the miners and many of the traders, mining and settlement have hitherto received scanty encouragement. Although there are difficulties which no Administration could overcome, the charge that there has not been a sufficient amount of sympathy on its part towards the development of Papua by means of white settlers has still to be substantiated or disproved.

Mr. WILKINSON.—It has not been want of sympathy, but want of capability on the part of the Administrators.

Mr. DEAKIN.—If the fault has been due to the Administration, I would rather suggest that it was due to that want of initiative and energy characteristic of those who have their vitality burnt out of them by years of residence in malarial districts.

The man who can sustain two or three attacks of malarial fever yearly, and preserve his energy unimpaired, is little short of a marvel. Recently a visitor landed at Port Moresby, and found every official down with malaria.

Mr. WILKINSON.—That is why we want to appoint as Administrator an Australian, who will be inured to malaria.

Mr. DEAKIN.—Malaria is to be met with in Australia, as well as Papua, although it is rapidly disappearing from our coasts, as it will also disappear from Papua in the course of time. The two currents of opinion to which I have referred clash. On the one hand, there are the advocates of the old Crown Colony policy of protecting the natives and resting content with that. On the other hand, there are those who support a progressive policy, which, although not less regardful of the interests of the natives, aims at the development of the country, and its garrisoning by means of white men, not paid as an army of occupation, but using the land under such conditions that they can obtain a reasonable return for their labour. Papua, although it is only a portion of the island of New Guinea, is, as Mr. Hunt vividly points out, a land of contrasts. It possesses inaccessible mountains and sodden morasses. In some portions it has a heavy rainfall, whilst in others droughts prevail. It has soil of all classes, and is capable of producing a variety of products. It has great mineral resources, which ought to be tested and developed; and presents great facilities for the development of some tropical products which ought to be profitable. Now that we are becoming directly responsible for this Territory, the Ministry of the day and the Parliament behind it cannot evade the responsibility of deciding for one policy or the other, and of also deciding by whom that policy shall be carried out. It would have implied no personal reflection upon Mr. Barton, who has been Acting Administrator of Papua for two years or more, if a man like Sir William McGregor, so much his senior in years and standing, and possessing greater experience in the Territory itself and elsewhere, had been asked to occupy the position of Lieutenant-Governor for the next three years. It would have conveyed no reflection on the existing Administration if Sir William McGregor had been asked to set our house in order in the manner that his judgment and know-

ledge would have enabled him to do. When it became impossible for us to secure his services, the responsibility—which I had no desire to evade—fell upon us to determine what course should be followed from the 1st September next. No portion of the duties that I have had to discharge as a member of this or any previous Governments has occupied more time and attention, or given me more anxiety, than those connected with the control of the affairs of Papua—a Territory 2,000 miles away, which I have never seen. Towards the place and its people I have every desire to act justly and wisely. Although I have twice lived in the tropics for short periods, and have passed through them at other times, thus gaining some experience of what life in the tropics means, I do not feel competent, with the materials before me, to say whether the Administration has justified itself, or whether it is open to fair challenge, for having missed opportunities and for having governed by inertia rather than progress. It was while I was thus perplexed that I received with surprise a letter from the Acting Administrator. So far as I can judge from the date of that communication, I do not think that any news regarding the offer which had been made to Sir William McGregor could then have reached him. The letter was written in July last, and reads—

Sir,—An idea having, by some means, gained ground in Australia that the present Administration of British New Guinea is unsatisfactory, I have the honour to request that a Royal Commission may be appointed at an early date to visit this Territory, with a view to inquiring exhaustively into the matter.

Not only do I regard such a course as eminently necessary in order that ill-founded impressions may be authoritatively dispelled, but also in the future interests of the Possession, for unless existing charges and grievances—whether real, imaginary, or malicious—are ventilated, injustice will inevitably be done to individuals, and the nature of this may be more far-reaching in its injurious effects than is at present evident.

I shall esteem it a favour if you will inform me, by telegram, whether my request is favorably regarded.

I have, etc.,

F. R. BARTON,

Administrator.

Mr. WILKINSON.—In the early portion of the letter he refers to “ill-founded prejudices.”

Mr. DEAKIN.—He refers to “ill-founded impressions.” In the face of that letter, arriving as it did while I was per-

plexed, honorable members will see that, in justice to the Possession itself, and to the officers concerned—who were not in harmony one with another, and have recently been interchanging mutual charges as to their several responsibilities for administrative delays and difficulties—the Government could not refuse an inquiry. What possible ground had we either for confirming the continuance of the Acting Administrator and his officers in a position in which they admitted complaints—alluding, perhaps, to the McGregor rumour, or more probably to the statements which have been made in this House from time to time—

Mr. WATSON.—They are nothing by comparison with the statements which have been made in the press.

Mr. McWILLIAMS.—It was only fair to grant him an inquiry when he asked for it.

Mr. DEAKIN.—He did ask for it.

Mr. WATSON.—But he can be judged by his work.

Mr. DEAKIN.—How can we judge it when we are 2,000 miles distant from the Possession? We cannot know how far the Administrator may have been hampered by incapable or unsympathetic officers.

Mr. WILKINSON.—Have not officers been appointed during Captain Barton's term as Acting Administrator?

Mr. DEAKIN.—Not with the exception of juniors. The Government felt bound to support the Acting Administrator, and I have never failed to lend him effective support.

Mr. WATSON.—Whilst he remains in his present position he deserves to be supported.

Mr. DEAKIN.—We severely punished the officer to whom the honorable member referred—Chief Surveyor Richmond—and he has certainly accepted his punishment like a man. He has gone out to the back-blocks to take up his work, appealing for an opportunity to be heard orally, with a view to clearing himself of what he regards as an unjust decision.

Mr. JOHNSON.—A very manly stand for him to take.

Mr. DEAKIN.—I admit that. When an Administration is rent asunder by such dissensions, how can it be confirmed in office or dealt with by dismissing either one party or another, without a proper investigation being conducted upon the spot?

Mr. CAMERON.—Did not Mr. Atlee Hunt report upon the conditions obtaining in New Guinea?

Mr. DEAKIN.—These difficulties began to come to the surface just about the time that Mr. Hunt was leaving the Possession, and only ripened afterwards. I think that we have had enough Royal Commissions appointed recently—not that I am opposed to their use in obtaining information. Certainly nothing but the extreme remoteness of the Possession, and the difficulty of arriving at a just decision in regard to its present deadlock, would have led the Government to appoint the present Commission.

Mr. FRAZER.—What is the scope of the Commission?

Mr. DEAKIN.—I will read it. Its purpose is summed up under two headings, namely, "How far, and in what manner, the Government can assist the development of the Possession?" We put that consideration first. Mr. Atlee Hunt stated in his report that there was no definite policy pursued in the Territory. Out of his knowledge, he recommended the adoption of a policy. His recommendations have been criticised by the Administration, and we have also ideas of our own concerning a suitable policy. The Government consider their first duty to the Possession is to lay down a consistent line of policy, which should be pursued with a view to its development. The second matter into which the Commission will inquire is, "Whether the existing *personnel* and methods of administration should be altered, and to what extent?" Honorable members will recollect that the Administrator with three or four chief officers, is located at Port Moresby. There are only two resident magistrates within easy reach of him. Some of them are visited only at long intervals. Each has practically a kingdom under his control. These kingdoms are peopled in parts by hostile tribes, which require to be treated with firmness. We have, therefore, to risk mistakes being made. Undoubtedly, Mr. Griffin made a mistake in the O'Brien case. Mistakes must occur when we have officials who are only visited once a year by the Administrator, and many of whom never see a white face in twelve months. These officers live amidst surroundings from which most white people would fly. Yet they remain. They have heard, as Kipling writes, "The East a'calling," and they have sacrificed home, family, friends, and, in some instances, the prospect of a career elsewhere, in order to undertake a task, always ungrateful, and which can only be

carried on at great cost to health. I omitted to mention to the Committee that these officers are not under the Colonial Office. They have no pension. They have no claim to any consideration, unless in the future we may decide that a gratuity shall be given to officers who have served in the Possession for some years. Therefore, every man endeavours to cling to his post. At the present time, we are faced with the difficulty that some of these men are approaching the age when their retirement will be rendered necessary. So far as we can judge, from the discord between the officers, some of them must go. The question therefore arises, "How are those to be dealt with who go, and how are those to be dealt with who remain?" Can these problems be solved upon purely documentary evidence 2,000 miles away from the Possession?

Mr. WATSON.—The Government have an Administrator, and they should either support him or appoint somebody else.

Mr. DEAKIN.—But we must act upon evidence. The Administrator himself has been censured, and now asks for an inquiry. Even the honorable member for Moreton must admit that it would be hard to find men who have had a wider experience than have the members of the Royal Commission which has been appointed.

Mr. WILKINSON.—Will they be the guests of the Administrator in New Guinea?

Mr. DEAKIN.—No. A special residence has been provided for them, and their requirements will be supplied independently of any officer whatever. That has been done to enable the Commissioners to speak their minds in the freest possible way. Mr. Herbert, the Government Resident of the Northern Territory, has lived there for a number of years, and is a barrister by profession. Mr. Okeden, to whom reference has been made in this debate, has had long official experience in Queensland. Colonel Mackay has been a member of the New South Wales Cabinet, while in South Africa and elsewhere he has seen a good deal of the black races, and is acquainted with the best methods of handling them. Certainly, the Commission will not be a white-washing one, so far as any instructions which have been issued can control its decisions. Its members will be sent to New Guinea perfectly free. They will assume nothing either for or against any officer, but will satisfy themselves on the spot

as to the natural conditions which have to be surmounted, as to the work which has to be done, and deal with the charges which will be formulated in connexion with the re-hearing of Mr. Richmond's case, a re-hearing to which he is certainly entitled by every rule of justice. When they have dealt with the official complaints, they will examine the methods of administration pursued, and criticise them fearlessly. They have nothing to hope or fear from their recommendations, which will neither govern the Government nor the House, unless they commend themselves to us by reason of the case which the Commission are able to make out. We must trust to the members of that body a great deal, because they will have opportunities of acquiring knowledge personally which practically none of us enjoy.

Mr. FOYNTON.—Will the Commission have power to recommend what shall be the land policy of Papua?

Mr. WATSON.—That has been settled.

Mr. DEAKIN.—We have settled the land policy under the new Act, but we shall have the criticism of the new members of the Council upon it. If the Commission choose to glance at that question they may; they are not invited to do so unless it comes directly within the sphere of their observations.

Mr. WATSON.—The land policy of Papua is settled by Act of Parliament.

Mr. DEAKIN.—That is so. If it is amended it will be in consequence of the representations of the people who live there.

Mr. JOHNSON.—We shall have control over the question.

Mr. DEAKIN.—Absolutely. It is unnecessary for the Commission to inquire into the liquor, land, or labour ordinances—

Mr. MCWILLIAMS.—Will they inquire into the treatment of the indented blacks?

Mr. DEAKIN.—They will if any one invites their attention to it.

Mr. MCWILLIAMS.—Have not the Government instructed them to inquire into that question?

Mr. DEAKIN.—No; because no one has set his name to a charge of abuse as regards the indented blacks.

Mr. MCWILLIAMS.—The death rate of 23 per cent. ought to be sufficient.

Mr. DEAKIN.—The honorable member knows that was of one year, and it spoke, not of ill-treatment, but of the unhealthy conditions arising in newly-opened tropical

country. The death rate, to which the honorable member alludes, was followed by a fall almost as remarkable as was its rise.

Mr. WATSON.—These indented blacks were immigrants.

Mr. DEAKIN.—That is so. They came from another district. They had lived in another altitude, and were then engaged in opening up ground which had never been mined or cultivated.

Mr. MCWILLIAMS.—Would that account for the death rate amongst them being so far in excess of that amongst the white settlers in the district?

Mr. DEAKIN.—Yes, because the blacks are immediately engaged in the work of opening up malarial lands.

Mr. JOHNSON.—Does not great mortality always follow when whites undertake such work?

Mr. DEAKIN.—The mortality is great amongst whites when they undertake the work of opening up new ground in tropical countries, as in Panama lately.

Mr. MCWILLIAMS.—Does not the Prime Minister think that the Commission might well inquire into the question?

Mr. DEAKIN.—We have had it inquired into by the magistrates, who took such precautions to conserve the health of the blacks that the death-rate fell very rapidly. Since then no application for inquiry has been made; but the Commission are free to inquire into this as well as into any other question.

Mr. MCWILLIAMS.—The latest death rate is 6 per cent.; that is heavy.

Mr. DEAKIN.—It is not heavy when we recall the fact that the Papuan is unaccustomed to continuous labour. He undertakes the work of mining and opening up new land in a new district because of the inducement held out to him.

Mr. MCWILLIAMS.—But surely the high death-rate ought to be inquired into.

Mr. DEAKIN.—It has been; and we are endeavouring to prevent natives of one district being put to work in another where their health will suffer.

Mr. MCWILLIAMS. — The inquiry was made by men who are responsible for the conduct of their own Departments.

Mr. DEAKIN.—No; it was made by magistrates, who have no interest in the mining operations. Complaint is often made of the severity of their supervision, and it is said that they have little sympathy with the miners. There is no objec-

tion to inquiry. I should welcome it; but the probability is that those living on the spot are better able to suggest how the death-rate might be decreased than are men who remain for only a few weeks.

Mr. HIGGINS. — If in developing the country it is found that the interests of the blacks conflict with those of the whites, is the question of who shall be supreme to be considered?

Mr. DEAKIN. — Yes; in our opinion, Papua belongs first to the Papuans. Their well-being is to be studied in most respects even before that of men of our own colour.

Mr. HIGGINS.—The first question relates to development, and development may be a bad thing for the blackfellow.

Mr. DEAKIN.—No; I have already pointed out that there are many unoccupied areas that can be devoted to cultivation and mineral research without encroachment on the native lands, which are more liberally granted than anywhere else. Our labour regulations in Papua are, I believe, among the most severe in force in any part of the world. Every precaution is taken before the natives are allowed to sign on, and when they leave their employment care is taken that they receive the full amount of wages due to them. They are protected in every way. That is our first line of policy, and we have stated that fact in a letter to the Commission. I was about to say, in answer to the criticism to which we have been subjected, that we hope to see our Australian policy applied to the unutilized portions of the Possession. That means the policy of development to which I have alluded, and that it must necessarily be carried out by Australians. On the score that they are not Australians, complaint has been made of the proposal to appoint Sir William McGregor, or to allow Captain Barton to remain. Although Captain Barton is not an Australian, his experience in Papua extends over so many years that he is very like an Australian.

Mr. WATSON.—I think he is fairly qualified on that ground.

Mr. DEAKIN.—No less than half of the officers under him—I admit that most of them are in the lower branches of the service—are Australians. The number of Australians on the staff is increasing every year. As men die or leave the service, the vacancies so created are filled by appointments from Australia. In a few years every officer in Papua will be an Australian. I see no objection whatever to the

appointment of an Australian to the chief office or to any other position in the Territory that becomes vacant.

Mr. JOHNSON.—Provided that he has the necessary qualifications.

Mr. DEAKIN.—Exactly. But it has been urged that the mere fact that a man is an Australian should be sufficient to justify or to bar his claim for an appointment. Of course it is not.

Mr. PAGE.—The policy of the Government is "Australia for the Australians."

Mr. DEAKIN.—Our policy is "Papua for the Papuans, and then for the Australians." So far as Australia is concerned, it is "Australia for the Australians" first and foremost, because our aborigine population is so small and so well provided for that it need no longer be taken into consideration. Four or five years hence 90 per cent. of our staff in Papua, from the chief downwards, will be of Australian birth.

Sir JOHN FORREST.—Is the Chief Justice an Australian?

Mr. DEAKIN.—He is, and several of the leading departmental heads are Australians. So far from Australian birth being an objection, it has been a recommendation.

Mr. PAGE.—I wonder that the Government were able to find in Australia a man capable of taking the position of Chief Justice.

Mr. DEAKIN.—I think we have a number of men capable of filling the position, but there are not many prepared to live in Papua.

Mr. PAGE.—Have we not an Australian who is fit to act as Governor of Papua?

Mr. DEAKIN.—We shall have Australian Governors in the future. To make the Australian policy there a sound one, we need to give Papua the best possible staff, trained by men who have spent their lives in handling natives, and who have lived in tropical climates. It was for that reason I thought it most desirable to endeavour to secure the services of Sir William McGregor—a man who could have trained up a body of young Australians according to the best traditions of the dealings of the British Colonial Office with tropical countries. I looked forward to such an appointment, not as being opposed to the policy of "Australia for the Australians," but as calculated to put that policy on a firm basis. I have to apologize for having detained the Committee so long, but it is rarely that the

attention of honorable members is focussed upon this distant dependency. From the 1st September next it will be part of our own territory, and we shall have to deal with it in a practical way. I make my apology only to honorable members present, and not to the Parliament, which must now take into consideration the fact that Papua is in our hands. It is a great trust. It is a country with a population of hundreds of thousands of savages, to whom we are giving opportunities of education and progress, of which advantage is being taken by the missionaries. We provide the opportunities, and the missionaries go ahead of us in giving the natives that education and assistance and training in the useful arts that will enable them to live in a higher sphere than they have yet reached. We have this great responsibility on our shoulders; we have also to face the responsibility of effectively occupying Papua with as many white settlers as possible, in order that it may be safeguarded. Poor as our progress may seem, it bears comparison with that made by our German neighbours, who are spending twice as much as we are on State subsidies, and yet are unable to show better results. It is true that they are undertaking plantations on a great scale. They are pushing on, and will soon outstrip us unless we take vigorous action.

Mr. HIGGINS.—Is any alternative course to the Commission to be proposed?

Mr. DEAKIN.—I know of none. Whilst the honorable and learned member was temporarily absent I detailed a number of complications due to the difficulties of administration, and pointed out that they could be dealt with only on the spot.

Mr. PAGE.—Some one will have to go there eventually.

Mr. DEAKIN.—Quite so. We shall send the Commission to Papua. They will submit their recommendations, and then this Parliament will decide the policy to be adopted and the persons to be intrusted with the work of giving effect to it.

Mr. DUGALD THOMSON (North Sydney) [9.27].—The Committee must be grateful to the Prime Minister for the many interesting particulars he has given as to the climatic conditions and the general administration of Papua. I think, however, that he has failed to justify the appointment of the Commission which is shortly to leave Australia for the Territory. He has stated that the staff at present ex-

isting there is as capable and as experienced a staff as we are likely to secure for such an out-of-the-way place. And yet the Government, in order that they may determine what shall be the administration of the future, propose to send to Fapua a Commission which, however capable it may be, has not the experience nor that intimate knowledge of local conditions which is possessed by many of the officers—to whom he has referred as being capable men—now in the Territory. Those officers have devoted years to the study of the conditions of the Territory, and to the carrying out of the policy which first emanated from Great Britain, and was subsequently continued by the Commonwealth. In these circumstances, surely they are in a better position to arrive at a conclusion as to questions of administration, as to the laws most desirable for the natives and the whites, than are gentlemen who at the most can remain there for only a few months, and will have to form their conclusions from the rapid survey of the conditions which they can make during that short period.

Mr. DEAKIN.—The officers do not agree.

Mr. DUGALD THOMSON. — As to that point, the Ministry have on the Commonwealth staff officers who have possibly more experience of such matters than have the members of the Commission. Such an officer should be as capable of judging and dealing with all these matters. He could give more time, if necessary, to their consideration; his inquiries would cost less than will those of the Commission, while his conclusions would be far more likely to be reasonable and satisfactory.

Mr. DEAKIN. — A Commission of one man?

Mr. DUGALD THOMSON.—If these Possessions are to be governed as they ought to be, we shall have to trust largely to one man, and the Government will have to put themselves behind that man. It has been the giving of support to the men selected for the administration of territory too distant for those at Home in Great Britain to be able to say what is best to be done that has helped to build and maintain the Empire.

Mr. WATSON. — We should pick our man, and back him up.

Mr. DUGALD THOMSON. — That must be the principle adopted. Let us remove our official if we have cause for dissatisfaction; but, so long as we have

faith in a man, and believe that he is acting rightly, we should support him, and let him take responsibility.

Mr. HIGGINS. — Does the honorable member think that an officer in close touch with the Minister is the right person to authorize to make inquiries?

Mr. DUGALD THOMSON. — There are officers in our service who, without disparagement of the Commissioners, have greater experience of the conditions existing in places like New Guinea, and are in that respect more capable of conducting an inquiry such as is needed.

Mr. PAGE.—Does the honorable member think that one officer should be appointed to inquire into the conduct of another officer?

Mr. DUGALD THOMSON. — Certainly. The Minister who controls the affairs of New Guinea has a perfect right to satisfy himself, either by means of a personal visit or by the sending of a trusted officer, that things are being properly conducted there. I do not say that an officer should be appointed to come to any determination, or to award punishments; but he might very well be asked to put the case clearly before his Minister. He would act as the ears and eyes of his political chief, and, after making inquiries in various directions, would report the situation as he found it. If necessary, more than one officer could be sent. The inquiries of an officer could be more extended than those of the Commissioners are likely to be.

Mr. HIGGINS.—Is there not safety in numbers in these cases?

Mr. DUGALD THOMSON.—I do not think that it is necessary to appoint any large number of persons to make an inquiry of this kind. I would rather leave it to one man, whose previous experience had qualified him for the work. I am sure that the honorable and learned member would not regard himself, as I should not regard myself, as well qualified to make an inquiry of this kind. The person sent should have lived under conditions similar to those existing in New Guinea, in some other British Crown Colony, and should have had to do with native races and their management. It will be most unfortunate if we have to send Commissions to New Guinea whenever there is a quarrel between officers there. No doubt the excuse for asking the Commissioners to report upon the present disputes is that they will be upon the spot, and therefore it is

desirable that they should report on the subject. If, as I suppose, the letter which has been laid on the table is merely an elaboration of the terms of the Commission, the inquiry will have a very wide scope, and will require more time than, I think, the Commissioners will be prepared to spend in that climate. The dispute between Captain Barton and Mr. Richmond has been already dealt with by a Board, which has come to a decision in regard to the matter.

Mr. DEAKIN.—It has been dealt with only on the papers; no evidence was taken. Mr. Richmond has appealed.

Mr. DUGALD THOMSON.—If every officer who appeals after the consideration of his case by a Board is allowed the appointment of a Royal Commission, we shall have Commissions going to New Guinea every few months. The only excuse for re-opening this case is that, as the Commission has been appointed to visit the Territory, we may as well take advantage of the opportunity to examine Mr. Richmond and his witnesses. In addition to a number of other matters to which the Prime Minister has alluded, the Commissioners are asked to report how far and in what manner the Government can assist the development of the Possession, whether the existing *personnel* of the administration should be altered, and, if so, to what extent. It is stated, in regard to the natives, that—

There appears to be no reason to believe that in the past their interests have been to any noteworthy extent disregarded, but any suggestions from you that will tend to enhance their wellbeing will be welcomed.

The Commissioners are also told that the question how to further the mining industry will doubtless receive their best attention. Some of them, no doubt, have had no experience in connexion with mining, and none of them know anything of the conditions under which it is being carried on in New Guinea.

Mr. PAGE.—Mr. Parry-Okeden knows a little about mining. He has had experience in Northern Queensland.

Mr. DUGALD THOMSON.—The Commissioners are to report on the state of the law in regard to mining. They are also told that the agricultural development of the country largely depends upon the land laws and their administration. This forms another subject of inquiry. The letter concludes with the statement that it is the desire of the Government that the Territory

shall be rendered self-supporting at as early a date as possible, under which head suggestions will be looked for in the report, while its contents are not to be regarded as in any way attempting to limit or regulate the scope of the inquiry, but simply as pointing out the directions in which improved methods are possible. I do not know when the Commissioners will come to the end of an inquiry such as they are asked to undertake. They cannot deal with all these subjects in the time at their disposal.

Mr. DEAKIN.—They will consider all that they think it necessary to consider.

Mr. DUGALD THOMSON.—After their report has been received the Ministry must deal with it, and then it must come before Parliament. When are we to get finality?

Mr. DEAKIN.—We are only just making a start.

Mr. DUGALD THOMSON.—In my opinion, we are beginning wrongly. It would have been better to appoint an efficient Administrator, and leave matters in his hands. A policy of drift has existed since the Commonwealth took control of the Territory, for which both the Ministry and Parliament are responsible. In 1902 the Prime Minister assured us that it was necessary to take speedy action in legislating for the administration of the Territory, but the Papuan Constitution was not passed by this Parliament until 1905.

Mr. PAGE.—Would the honorable member blame Parliament for that?

Mr. DUGALD THOMSON.—I do not say how the blame should be apportioned between the Parliament and the Ministry, but, in view of the fact that Parliament includes the Ministry. I take it that Parliament is mainly to blame. I think that some reproach attaches to those honorable members who elevated a comparatively small matter into a position of the first importance, and prevented the Bill from becoming law until that matter was settled. With regard to the proposal that an Australian should be appointed as Lieutenant-Governor of Papua, I should be very pleased to see an Australian appointed, if we could feel assured that he would prove a successful Administrator. We must procure the services of a man who has had experience in the handling of native races. Our treatment of native races has not been such as to indicate that a purely Australian policy would result satisfactorily to the coloured inhabitants of Papua. I am sure

that the desire of this Parliament is that the natives should be treated as they have been in the past, under British control. The treatment of the natives in Australia in the past, even up to the present day, has not been such as to lead us to believe that an Australian would necessarily prove the best Lieutenant-Governor who could be chosen for the Territory. I am not reflecting in any way upon Australians. I believe that they are capable, and that many of them would be animated by a desire to govern the Territory to the satisfaction of all concerned. But I think that in the first instance we should indicate the policy that we desire to be carried out, especially as applied to the natives, and then select the best man that we can find, whether he be an Australian or otherwise. We know that Sir William McGregor's great success was due to the fact that he was able to handle the natives with the most satisfactory results. It was his capacity in this direction more than any other that made him such an able administrator. If a spark were kindled by a tactless act on the part of the Lieutenant-Governor, the whole Possession would be ablaze, murders and outrages would follow, and peace would be restored only by the use of the rifle and sword, the resort to which we do not desire to see. The first qualification of the Lieutenant-Governor, whether he be an Australian, or not, should be capacity to handle native races. If the Government lay down the dictum that it will be impossible to outline a policy for Papua, except by means of a Commission, they will go a long way towards admitting that the Possession should be governed by a Commission. I hope that no consideration will be given to any suggestion of that kind. Personal government has been shown by experience in British possessions of this character to be the best and most successful. I should have been very glad if Sir William McGregor had been able to undertake the government of the Territory, which he so ably administered in days gone by. As the Government have not been able to secure his services, and as it is clear that they are not satisfied in all respects with the present Administrator, they should have grappled with the question themselves, without falling back upon a Commission. When the report of the Commission is received, Ministers will have to decide two matters, namely, as to whe-

ther the present Administrator shall be retained, and as to what weight should be given to the Commission's recommendations. They will further have to decide whether we should appoint a new Lieutenant-Governor before we give effect to the recommendations of the Commission.

Mr. DEAKIN.—Captain Barton asked for the appointment of the Commission.

Mr. DUGALD THOMSON.—If the Government are satisfied—as they seem to be—that Captain Barton is not in all respects suitable for the position—although his suitability in some respects is admitted—they should face the position at once. The Commission may find that there is nothing to be said against Captain Barton—that he is not to blame for the present position of affairs. What will the Government do in that case? Will they retain in the position of Lieutenant-Governor a man with whom they have admitted that they are not altogether satisfied? I do not for one moment say whether Captain Barton is not a suitable man. I am not in a position to judge. But it would be most undesirable to retain the services of any man whom the Government think is not suitable. The position of Lieutenant-Governor of Papua is a most important one, in view of the foundation work that will have to be done. Difficulties will have to be met and removed, and openings will have to be afforded for a sufficient number of white settlers of a desirable character. Care will have to be exercised to guard against the introduction of undesirable characters who may cause trouble with the natives. The desires of the white settlers must receive every reasonable consideration, but they must not be conceded merely because requests are preferred. There is very great danger of a conflict of interests between the white settlers and the natives, especially in a place like Papua where the latter so fully occupy the ground. It might be pointed out that the natives do not find it necessary to work, and that it would be better for them if they did work. That might be so. We can always find a reason why some other man should work. It might be claimed by some of the settlers that they should be allowed to engage natives to work for them, and when it was discovered that the natives were not anxious to work, it might be recommended that, in the interests of the natives themselves, they should be made to work. Then the trouble would begin. Either the

natives would have to be taxed, or else they would have to be forced to work. Therefore, we should have to be very careful in listening to the recommendations of those whose interest it is to obtain labour as cheaply as possible, so that they may become wealthy in a short time, and clear out of the country. Then again, we should be very careful in dealing with complaints preferred by settlers against officials. Very often intense feeling is excited against officials, because they will not allow settlers to make the use they desire of the natives. Once an Administrator has been approved of, we must stand behind him, unless the very strongest proof of his incapacity is produced. I say that every complaint ought not to be brought into Parliament. The Administrator should be supported until circumstances arise which demonstrate that he is unsuitable for his position. I really do think that during the short life of the Commonwealth Parliament, we have already gone far enough in the way of appointing Royal Commissions. They are very expensive bodies. In my opinion they do not generally elicit any information which cannot be better obtained in other ways, and when they do elicit it, it is at an unnecessary cost. We must recollect that, although Members of Parliament serving upon Commissions are not paid, their travelling expenses in visiting different parts of the Commonwealth represent a considerable sum. Therefore I am sorry that this Commission has been appointed. I do not think that it will produce as satisfactory results as might have been obtained by other means. I believe that its appointment will delay the selection of a thoroughly suitable Lieutenant-Governor—a selection which, to my mind, is the key of the whole position in New Guinea. The sooner such a selection is made the better. The appointment of this Commission will delay the choice of a suitable Lieutenant-Governor, and instead of the Ministry being in a better position to make such a selection after the receipt of the Commission's report, I believe that it will be in a worse one, because we shall have to decide many matters which should have been dealt with by him, but which will have been reported on by the Commission.

Mr. JOHNSON (Lang) [10.3].—I join with the honorable member for North Sydney in expressing appreciation of the speech

of the Prime Minister and of the information which he has placed before the Committee in regard to the resources, climate, and other conditions pertaining to New Guinea. But I cannot refrain from remarking upon the singular unanimity which exists among the members of the Labour Party in their wholesale condemnation of the action of the Government in appointing a Royal Commission to investigate the charges of maladministration levelled against the Acting Lieutenant-Governor of the Possession.

Mr. FRAZER.—We have a right to oppose its appointment.

Mr. JOHNSON. — I do not question that. But it seems to me a most singular circumstance that a Government, whose very existence depends entirely upon the support of the Labour Party, should be the object of such severe denunciation at the hands of that party, which holds the Government in the hollow of its hand.

Mr. PAGE.—Has the honorable member any objection to that?

Mr. JOHNSON.—Not if the Government have no objection to it.

Mr. DEAKIN.—We have none whatever.

Mr. JOHNSON.—Then the Government must be the most spiritless and complaisant one that ever existed. I cannot help feeling that there is something in the contention of the honorable member for Wentworth that there is a motive underlying the desire of the Labour Party to get rid of Captain Barton—a motive which, so far, has not been disclosed by them in this debate. It is true that it has been hinted at by the honorable member for Wentworth, and honorable members are at perfect liberty to draw their own conclusions in this connexion. I have no desire to impute any dishonorable motives.

Mr. PAGE.—What is the honorable member doing?

Mr. JOHNSON.—I am merely referring to the suggestions of the honorable member for Wentworth. It cannot be denied that the removal of a certain gentleman from another place would afford the Labour Party an opportunity for a possible accession to its numbers, which no party can afford to despise. I do not say that there is anything improper in that, but I do say that it is possible for an unconscious bias to exist in the minds of honorable members—a bias which may act prejudicially to the most capable Administrator.

Mr. PAGE.—I thought that the honorable member was not going to impute motives. Why does he not say straight out what he means?

Mr. JOHNSON.—Because I am precluded by the Standing Orders from expressing by direct reference what is in my mind. I repeat that we have to guard against any possible prejudice that may arise, because some honorable members may perhaps see an opportunity which would be opened up for obtaining a little more power in the legislative arena if certain contingencies, which now loom on the horizon, took definite shape. But we cannot close our eyes to the fact that specific charges have been levelled against the Acting Administrator of New Guinea. We have no means of ascertaining the truth or otherwise of those charges, except through an independent tribunal, which can investigate them upon the spot. Personally, I share the opinion of the honorable member for North Sydney, that they might perhaps have been better investigated in some other way than by the appointment of a Royal Commission. But the Acting Administrator having been made the subject of those charges, he is certainly entitled to an opportunity to clear himself of them.

Mr. WILKINSON.—The charge against him is not one of mal-administration, but of want of progressive administration.

Mr. JOHNSON.—When we come to consider all the circumstances attaching to a position of that kind we have to make very great allowances. At this distance, and in the absence of a full knowledge of all the surrounding circumstances, we cannot judge whether or not the Acting Administrator is capable or progressive.

Mr. WILKINSON.—Queensland is a little nearer to New Guinea than the other States.

Mr. JOHNSON.—Queensland may be a little nearer geographically, but it is not one whit nearer from the stand-point of communication.

Mr. WILKINSON.—I think so.

Mr. JOHNSON.—Seeing that the other States have telegraphic communication with Queensland, it will be seen that they are in just as close touch with Papua as is Queensland itself from the point of view of obtaining news.

Mr. WILKINSON.—Nearly all the miners in the Fossession hail from Queensland.

They know all the members of the Parliament of that State, and they take them into their confidence.

Mr. JOHNSON.—Are we to form our judgment merely upon the gossip of men whose view of a case may be affected by their own personal interest?

Mr. KING O'MALLEY.—Does not the honorable member think that the judgment of the Commission which has been appointed is already formed?

Mr. JOHNSON.—No. I will not be so unjust to its members—although they are utter strangers to me—as to say that. We are not entitled to cast such a slur upon any body of honorable men. This afternoon the honorable member for Bland declared that the Acting Administrator had not a proper conception of his duties.

Mr. KING O'MALLEY.—Did not the Prime Minister admit that by endeavouring to secure the services of Sir William McGregor?

Mr. JOHNSON.—No; that does not by any means necessarily follow. The present Administrator is only acting, and the Prime Minister has explained the object which he had in view. The fact of an offer having been made to Sir William McGregor was not tantamount to an expression of want of confidence in the present Acting Administrator. I think that the Government are to be commended for having endeavoured to secure the services of the best possible Administrator, and I hope that that policy will be pursued. I have no sympathy with the cry that we should insist upon the appointment of an Australian as Administrator of Papua. If the best man obtainable is an Australian, let us by all means appoint him; but if a better man can be obtained from outside, let us have him. We had first of all the cry of "Australia for the Australians"; we have now the cry of "Papua for the Australians." Presently we shall probably have the cry of "the wide wide world for Australians." I am glad that some honorable members are beginning to have broader views. If it be necessary to make a change in the Administrator of Papua, the Parliament will insist on the services of the best man available being secured for the position. It is of the highest importance that the qualifications of the gentleman to be appointed shall be thoroughly considered.

Mr. WILKINSON.—Let us send to German New Guinea for an Administrator!

Mr. JOHNSON.—I do not propose that we should look for one in a foreign country. We are able to secure capable administrators from among our own people. The insinuation made by the honorable member is a most unworthy one. I propose to quote the opinion of one of the most eminent and patriotic of Australians, the late W. B. Dalley, on the cry of "Australia for the Australians." In a pamphlet entitled *Federation, National and Imperial*, which is in the Library, he made the following statement:—

I not only do not sympathize with the policy of "Australia for the Australians" as a just and patriotic national aspiration, but I regard it as injurious (if, indeed, it ever could be possible) to the best interests of these Colonies, to the occupation and development of large portions of valuable territories in these seas, and as hostile to the legitimate claims and rights of other portions of the world. It is, it seems to me, to shut ourselves out from the other civilization of Europe, and not only to deprive ourselves of its inestimable advantage, but to provoke its hostility; and to do this when we are entirely without the means of occupying with advantage the territories which we should only hold for the purpose of excluding others.

Mr. PAGE.—That sentiment is dead.

Mr. JOHNSON.—It is a sound and a true one, and the truth never dies.

Mr. DEAKIN.—Dalley was referring to the exclusion policy. "Australia for the Australians" does not exclude white men.

Mr. JOHNSON.—The cry of "Australia for the Australians" means the exclusion of British people as well as of other white races.

Mr. DEAKIN.—As Dalley defined it.

Mr. JOHNSON.—I wish now to inquire what has become of the Minister of Trade and Customs, who is so frequently absent, and who has recently framed, under the Customs Act, a regulation which I consider most reprehensible, and entirely without justification. The regulation, which was approved by the Governor-General on 13th July last, reads as follows:—

REGULATION UNDER THE CUSTOMS ACT 1901.

Section 151.—*Re-importation free of duty of goods, the produce of Australia.*

In addition to the conditions prescribed by Regulation 103 of the Regulations under the Customs Act 1901 (Statutory Rules, 1906, No. 1), the following condition shall be a condition under which goods, the produce of Australia

shall be re-imported or brought back to Australia free of duty, namely:—

(d) The Minister must be satisfied that the re-importation or bringing back of the goods will not unfairly disturb the market for the goods in Australia generally, or in the place or town where the goods are proposed to be landed.

Goods which have actually been manufactured in Australia are, under that regulation, to be prohibited from re-entering Australia, unless the Minister is satisfied that they will not disturb the market. This is, in my opinion, a gross abuse of the powers conferred on the Minister by our legislation. I think that we are entitled to an explanation. This regulation shows the danger of placing such unlimited power in the hands of any Minister, no matter what his fiscal faith may be. Under our legislation, we have afforded Ministers power to frame regulations, and to do acts which were never contemplated. The Minister of Trade and Customs should be here to explain the administration of this Department, when we are asked to grant supplies in respect of it. I wish to repeat the statement that, in my opinion, we should not grant supply until the Ministry tell us whether they intend to deal with the Tariff question before the session closes. I shall reiterate this request for information until I receive something like a satisfactory reply.

Mr. BROWN (Canobolas) [10.27].—Some honorable members of the Opposition so dearly love an atmosphere of suspicion that even a Supply Bill cannot be discussed without honorable members being made the subject of innuendoes, which are unworthy of any responsible assembly. The innuendo which they have hurled at members of the party to which I belong is hurled also at a member of their own party. I am acquainted with the honorable gentleman who has aroused the suspicion of some of the Opposition. I have read his reports with considerable interest, and on several occasions have discussed them with him. In justice to him and in fairness to myself, I wish to say that he has never mentioned to me anything that would justify the suspicion which some members of the Opposition entertain, nor have I been approached by any one on his behalf. Coming to the question of the control of Papua, I may say at once that it has been a vexed one almost from the inception of the Parliament. At different times and from different sources

representations have been made, which appear to indicate that the Administration is not as satisfactory as could be wished. I agree with the honorable member for North Sydney that there are many difficult problems associated with the control of the Territory. Owing to its remoteness, much has to be left to the Administration, and there is often a disposition on the part of those clothed with a little brief authority to harshly exercise that authority when they are not under the immediate supervision of their superiors. It is true that private interests have often to be dealt with and curbed, and the probabilities are that even the reasonable exercise of control would lead to friction, and to many of the charges levelled at these officers. But whilst every allowance must be made for that fact, it seems to me that statements have been made which demand investigation. Those who have made these charges ask for an impartial investigation of all the circumstances by unbiased persons, which makes me think that their complaints are not altogether groundless. Last session a Mr. J. W. Craig, a former resident of Papua, laid before a number of honorable members an account of his treatment by the officials of the Territory. His complaints were investigated and reported upon by the Secretary to the Department of External Affairs; but those who heard his statements, and have read the report, will hardly be satisfied with the conclusions arrived at, many of which were foreshadowed by Mr. Craig himself. He said that, having rendered himself obnoxious to certain officials, he was subjected to petty persecution, making it difficult, and practically impossible, for him to carry on his business, or to remain in New Guinea. According to his account, he was charged with most of the crimes in the calendar, from murder downwards; but the supposed records of the proceedings against him have been lost or mislaid, which is a very unsatisfactory state of affairs. Two other cases requiring investigation are those in regard to which the papers have been laid on the table, while there is also the case of Captain Strachan, whose action against the Commonwealth has formed the subject of several questions recently. The papers in his case are not yet available; but if his disclosures to me in the early part of the week were accurate, I say unhesitatingly that there is need for radical reform in the administration of the Territory. I am not acquainted with Captain Barton, who may

be an admirable man in many respects, and yet may not be suited for the position which he holds, which requires exceptional ability in the occupant. It would be very difficult to find another man as able as Sir William McGregor, and the attempt of the Prime Minister to again secure his services was very laudable. But, without disparaging the present Administrator, I say that we must know what ground there is for the complaints which have been made — whether he is suited in all respects for the responsible position which he fills, and whether his officers are able and trustworthy men, who are discharging their duties in a manner creditable to themselves and to the Commonwealth. The Prime Minister has indicated that he does not feel able to decide this matter without the assistance of a Commission of investigation. The only Commissioner with whom I am acquainted is Colonel Mackay, whom I have known for many years as earnest, able, and conscientious. I feel sure that he will do his duty to the best of his ability. I have been assured by those who are familiar with the Territory that, unless exceptional steps are taken, the Commissioners may return no wiser than they went, because a system of terrorism prevails by reason of the ruling officials making things intolerable for residents whose presence is disagreeable to them. I am informed that, unless the Commission is armed with powers which will protect witnesses from petty persecution, it will not get at the facts. We are, however, giving to the people of the Commonwealth an opportunity to voice their grievances, and I hope that they will take advantage of it, because the sooner these matters are dealt with the sooner will a change for the better take place. The Commonwealth Tariff is unduly restrictive, so far as New Guinea is concerned, and I endeavoured, when it was being passed, to get some concession. As the duties stand, the settlers of New Guinea will always be handicapped in trading with Australia. The honorable member for Wentworth indicated that the members of the Labour Party were not prepared to extend to Papua any consideration in this regard. If he had been in the first Commonwealth Parliament, he would know that those honorable members who showed the strongest disposition to extend consideration to the white settlers in Papua, and even in the New Hebrides, belonged to the Labour Party. Moreover, I would tell the honorable member that

changed their views, they would not support him in carrying out the liberal policy he has advocated. I trust that, as the outcome of the investigation that is about to be made, the administration of New Guinea will be placed upon a proper footing, that all causes of grievance will be removed, and that the utmost benefit will be conferred upon the Possession and all concerned.

Question resolved in the affirmative.

Resolution reported.

Motion (by Sir JOHN FORREST) agreed to—

That the Standing Orders be suspended, to enable all steps to be taken to obtain supply and pass a Supply Bill through all its stages without delay.

Resolution adopted.

In Committee of Ways and Means:

Motion (by Sir JOHN FORREST) proposed—

That towards making good the supply granted to His Majesty for the services of the year ending 30th June, 1907, a sum not exceeding Seven hundred and forty-eight thousand three hundred and sixty-three pounds be granted out of the Consolidated Revenue Fund.

Mr. DUGALD THOMSON (North Sydney) [10.45].—I should like to know whether any provision has been made in the proposed appropriation for expenditure in connexion with the High Court for the increase in the number of Justices contemplated in the Judiciary Bill?

Sir JOHN FORREST.—No.

Mr. DUGALD THOMSON. — Could the Treasurer inform us when the new appointments are to be made?

Sir JOHN FORREST.—I am not yet in possession of that information.

Mr. LONSDALE (New England) [10.46].—It was understood that the High Court Bench urgently needed to be strengthened, and, as the Judiciary Bill has now been passed, Ministers ought to know when the new Justices are to be appointed.

Sir JOHN FORREST. — The Bill was passed by the Senate only to-day.

Mr. LONSDALE.—Yes; but Ministers knew very well that it would be passed, and they ought to have been prepared to make the necessary appointments at once.

Resolution reported and adopted.

Ordered—

That Sir John Forrest and Mr. Deakin do prepare and bring in a Bill to carry out the foregoing resolutions.

Bill presented by Sir JOHN FORREST, and passed through all its stages.

ADJOURNMENT.

PREFERENCE TO RETRENCHED STATE OFFICERS.

Motion (by Mr. DEAKIN) proposed —

That the House do now adjourn.

Mr. KELLY (Wentworth) [10.50]. — I wish to bring under the notice of the Minister of Home Affairs a matter which I am sure will meet with consideration at his hands. Owing to the legislation recently enacted in New South Wales, the effect of which is to decentralize administration in the Lands Office, and to allocate to that administration land taxation, the central Taxation Department will necessarily be retrenched considerably, so far as the land tax officers are concerned. I wish to ask the Minister whether, in connexion with any vacancies which may occur in the Commonwealth service which such officers are eligible to fill—other things being equal—he will extend a preference to them?

Mr. GROOM (Darling Downs—Minister of Home Affairs) [10.51].—It is impossible for me to promise that a preference will be extended to any retrenched officer. As the honorable member is aware, all appointments are made by the Public Service Commissioner, in accordance with the provisions of the Public Service Act. All vacancies have to be advertised, and they are open to all persons who are qualified to fill them, irrespective of whether they are in the direct employ of the Commonwealth or not.

Mr. KELLY.—I carefully said “all things being equal.”

Mr. GROOM.—The matter is one which rests entirely with the Public Service Commissioner, and not with the Minister of the Department concerned.

Question resolved in the affirmative.

House adjourned at 10.52 p.m.

Senate.

Friday, 24 August, 1906.

The PRESIDENT took the chair at 10.30 a.m., and read prayers.

CABLEGRAMS "VIA PACIFIC."

Senator HIGGS asked the Minister representing the Postmaster-General, *upon notice*—

1. Is it true that if a person takes a cablegram marked "*via Pacific*" to the General Post and Telegraph Office, George-street, Sydney, he must strike out the words "*via Pacific*," or take the cablegram to the office of the Pacific Cable Company in Sydney?

2. If a cablegram so presented at the G.P.O., Sydney, is afterwards again handed in with the words "*via Pacific*" marked out, by what route is the cablegram sent?

3. Is it true that the manager of the Pacific Cable has given instructions that cablegrams marked "*via Pacific*," and presented at the General Post Office, Sydney, shall not be received at the latter office, but must be taken to the Sydney office of the Pacific Cable?

Senator KEATING.—Inquiry is being made, and answers will be furnished as soon as possible.

EXPORT OF LEATHER.

Senator FINDLEY asked the Minister representing the Minister of Trade and Customs, *upon notice*—

1. If he is aware—

(1) That the average value of Australian leather exported to Great Britain from 1895 to 1900 was £760,520; in 1901, £664,293; 1902, £619,275; 1903, £524,115; 1904, £394,797; and 1905, £314,764?

(2) That the falling-off is attributed to the practice of some Australian leather merchants in loading mimosa sole with chloride of barium?

(3) That quite recently 21 samples of Australian leather were submitted to analysis in London, and that fourteen samples were found to be adulterated?

(4) That some of the samples of Australian leather exported to Great Britain have been found to contain from 20 to 25 per cent. of barium, that one sample contained no less than 32 per cent. of this material, and that several recent shipments of Australian leather have been refused by English importers on account of this practice?

2. Is the Minister aware that purchasers in Great Britain of Australian leather adulterated with, say, 16 per cent. of barium, would, on a purchase of 1 ton, be defrauded to the extent of £13 8s. 9d.?

3. If so, will the Minister, in the interests of the trade of the Commonwealth, give an assurance that the regulations governing the Commerce Act will be rigidly enforced?

Senator PLAYFORD.—The answers to the honorable senator's questions are as follow:—

1. (1) The figures quoted differ from the official returns; doubtless they represent the values landed in England. The official figures show a decrease in exports till 1904, and a slight increase in 1905.

(2), (3), (4). Nothing is known on these points beyond press reports.

2. This would depend upon whether or not the leather was known to the purchaser to be adulterated.

3. The Commerce Regulations, as finally adopted, will be strictly enforced.

Senator FINDLEY.—Arising out of the answers, I desire to ask the Minister whether he will make further inquiry, with a view to ascertaining whether the reports which have appeared in the press, and which have been detrimental to the interests of the Commonwealth, are correct or incorrect?

Senator PLAYFORD.—I shall ask the Minister of Trade and Customs to get whatever information he can on the subject, and furnish it to the honorable senator.

PAPUA.

NATIVE CARRIERS: MAIL CONTRACT:
GOORABARI AFFAIR.

Senator HIGGS asked the Minister representing the Minister of External Affairs, *upon notice*—

1. Is it true that Captain Barton, Acting Administrator of British New Guinea, has reduced the standard chest measurement of New Guinea native carriers?

2. Was the standard chest measurement formerly 32 inches?

3. What is now the standard chest measurement?

4. Has the Minister for External Affairs approved the reduction?

5. What is the maximum weight the natives are expected to carry?

6. Will the Prime Minister and Minister for External Affairs consider the advisability of making tracks or roads in preference to reducing the standard chest measurement of New Guinea native carriers?

7. Is it true that the necessary mule tracks and roads to mining fields in New Guinea could be constructed at a less cost than the estimated cost of the proposed Royal Commission?

Senator PLAYFORD.—The answers to the honorable senator's questions are as follow:—

1 to 4. No official information has reached the Department of any change in the regulations on this point. It will be remembered that the natives of the Eastern Division of British New Guinea are small men, and that, moreover, all natives before being engaged have to appear before a Government officer, whose duty it is to refuse to sign them on if physically unfit.

5. The ordinary maximum load is 40 lbs.; in case of loads of rice maximum weight is 48 lbs.
 6. Instructions have been issued and expenditure approved for making new tracks and roads.
 7. Probably some could, but without more definite information as to the localities referred to, it is impossible to say.

Senator HIGGS asked the Minister representing the Postmaster-General, *upon notice*—

1. Is it true that the present altered Australia-British New Guinea mail contract is not giving satisfaction?

2. Who suggested the alteration of the terms of the said mail contract to its present form?

3. Has the Postmaster-General read the following in the *Brisbane Courier* of the 18th August, 1906 :—

"The alteration of the mail contract from Australia to Papua is apparently not giving as much satisfaction as was anticipated. The residents of the Woodlarks complain that the fact that the vessels do not call there on their return trips nullifies any benefit they derive from it; and the residents of Yule Island and Daru, the western port of entry, are said to be indignant that their claims for consideration are entirely overlooked?"

Senator KEATING.—The answers to the honorable senator's questions are as follow :—

1. No complaints have been made to the Government respecting the service.

2. The alterations were effected to meet the general desire for a service by larger and faster steamers.

3. Yes. Correspondence is now proceeding with respect to the calls at Woodlark Island. To act as suggested, however, involves making the island a port of entry, with Customs and medical officers, a course necessitating considerable increased expenditure. If any communications are received from other places mentioned, they will receive attention, but to require the mail steamers to call at Daru would mean an increased subsidy out of proportion to the benefits to be derived.

Senator HIGGS asked the Minister representing the Minister of External Affairs, *upon notice*—

What was the cost of the Royal Commission of Inquiry into the Goorabari affair?

Senator PLAYFORD.—The answer to the honorable senator's question is as follows :—

£542 7s. 11d., inclusive of £144 17s. 9d., cost of printing report as Parliamentary Paper.

WIRELESS TELEGRAPHY.

Senator STANFORTH SMITH asked the Minister representing the Postmaster-General, *upon notice*—

Will the Postmaster-General, before adopting any system of wireless telegraphy, call for tenders for such service, with a view to the Com-

monwealth adopting the best and cheapest system, and with the object of affording all wireless telegraphy companies an equal opportunity?

Senator KEATING.—The answer to the honorable senator's question is as follows :—

Tenders will be called.

SUPPLY BILL (No. 2).

DEFENCE: IMPERIAL DEFENCE COMMITTEE'S REPORT: NAVAL CADETS—PAPUA: ADMINISTRATION: LIEUT.-GOVERNOR—FEDERAL CAPITAL SITE—LAUNCESTON POST-OFFICE: CHARGES BY DETECTIVE: POST-OFFICE AT SYDNEY RAILWAY STATION: TELEGRAPHIC CHESS MATCH.

Bill received from the House of Representatives.

Motion (by Senator PLAYFORD) proposed—

That the Bill be now read a first time.

Senator PEARCE (Western Australia) [10.40].—I desire to refer to the report of the Imperial Defence Committee. It is a most important document by reason of the source from which it emanates, and the subject with which it deals. It is very unsatisfactory that when laying the report before Parliament the Government did not submit their own views thereon.

Senator PLAYFORD.—The honorable senator must give us time. It deals with a most important subject.

Senator PEARCE.—It is extremely inadvisable that the report should go forth to the world without the Government being prepared to make a statement. The Minister of Defence says "You must give us time." But I have a distinct recollection that during last session he indicated various problems which had to be dealt with, and made a distinct promise that in this session he would be prepared to submit a concrete policy for the defence of the Commonwealth. What scheme have we got? The honorable senator has made no proposals, and we are still in exactly the same position as before. It seems to me that the report of the Imperial Defence Committee is being circulated with the direct purpose of influencing public opinion against the proposals put forward by the Naval Director for the commencement of an Australian Navy. We all know that throughout Australia there has been a reaction against the payment of the naval subsidy, and that

if the people were polled to-morrow the probability is that the great majority would be against the continuance of that subsidized form of defence.

Senator STANFORTH SMITH.—They were never in favour of it.

Senator PEARCE.—I do not believe that they were. Although the Imperial Defence Committee are inferentially supporting the payment of that subsidy, and opposing the proposal for the establishment of an Australian Navy, yet the Government, which last session promised to bring down this session a distinct policy, are circulating the report of that body, and making no defence of Captain Creswell's scheme, or giving us their opinions on the subject. The Government have had the report of Captain Creswell in their possession for twelve months, and the whole of the recess in which to consider it, and make up their minds, but to-day they are as far off a decision as ever they were. What will be the position at the elections? So far as the Government is concerned, we shall go to the country with no defence policy, but with a report from a very high and influential source, the effect of which is that we should continue the present unsatisfactory system, and wipe out some of our forts. One who reads the report can come to no other conclusion than that the only point of view from which the Imperial Defence Committee looked at the subject was the defence of the capital cities, and of the trade of the Empire. The defence of Australian trade and interests was a matter of secondary importance to the Committee, who looked at the subject through English glasses. They state in their memorandum that it is proposed—

To examine the requirements of a detailed scheme for the defence of the ports of the Commonwealth.

Are we to understand that the only defence policy we are to contemplate is one relating to the ports of the Commonwealth, and that the defence of our trade and commerce is to be put absolutely on one side? In paragraph 3, dealing with strategical considerations, the Committee say—

This policy of active offence against the enemy's naval forces, as opposed to one of local naval defence of our own coasts, is still, as it has always been, the only possible way of giving effective protection to the shipping and maritime commerce in every sea on which the economic life of the widely-dispersed members of the Empire depends.

That is an entire fallacy. The English policy of defence is not based on those lines at all. It is well known that the English coasts are protected by torpedo flotillas, and that the torpedo boats would not be sent out to any part of the Empire, no matter what the emergency might be, but kept localized for the defence of English trade and commerce round the coast. In paragraph 4 the Committee say—

With a view to impairing our measures of concentration in war, and inducing us to weaken our main fleets, the enemy may endeavour to create a widespread feeling of insecurity and alarm throughout the Empire, by utilizing such classes of vessels as are unfitted for taking part in the decisive actions in raiding our sea-borne trade, and threatening distant portions of the Empire.

In that paragraph the Committee contemplate the very thing which we have always been emphasizing, that when the great battles, in which they contemplate employing the Australian Squadron, if needs be, were being fought, raids might be made upon distant portions of the Empire. We have to look at this question from the point of view that Australia is a distant portion of the Empire. Is it a matter of secondary importance to Australia that the distant portions of the Empire are to be subject to raids? It is certainly a matter of secondary importance to England, but it is a matter of primary importance to Australia. In this very paragraph the Committee prove that they are absolutely incapable of looking at the question from the Australian point of view.

Senator DOBSON.—Oh! draw it mild.

Senator PEARCE.—There is no possibility of speaking with mildness when dealing with a subject which affects the existence of our country, and with which the Government seem absolutely impotent to deal.

Senator DOBSON.—Does the honorable senator mean to say that the defence of our ports is not a matter of secondary importance to Great Britain in maintaining her position as mistress of the seas?

Senator PEARCE.—So far as we in Australia are concerned, the possibility of a raid upon our coast is a matter of first-rate importance to us, and our duty to ourselves and to the Empire is to make ourselves safe against such a contingency.

Senator DOBSON.—Is it not a matter of secondary importance to any great battle which may have to be fought in order to decide who shall be mistress of the seas?

Senator PEARCE.—The honorable senator is quite missing the point that the memorandum does not deal with the question of the defence of the Empire, but purposes to deal with the question of Australian defence.

Senator DOBSON.—Not as an isolated matter.

Senator PEARCE.—If it were a memorandum on the defence of the Empire I could understand that statement being made, but when it deals solely with the defence of Australia that paragraph shows that its authors are incapable of grasping the position from the Australian point of view. The Committee go on to say—

Although in themselves such raiding operations will be only of secondary importance, as the ultimate issue of the war must depend on the result of the fleet actions, it will be necessary to take a vigorous offensive against all such outlying raiding vessels in order to prevent the disturbance of trade and demoralization which might be caused by their depredations.

Senator DOBSON.—Is not that dealing with the defence of the Empire?

Senator PEARCE.—Certainly, so far as the main action is concerned. We have to recognise that the main action must be fought by the British Fleet. We could take no part in that action, but we would be intimately concerned in the raids which in this report are stated to be possible, and which are described to be of secondary importance. I repeat that while they are of secondary importance to the Empire as a whole they are of primary importance to Australia.

Senator DOBSON.—They are not, with all respect.

Senator PEARCE.—In paragraph 5 the Committee say—

It is the constant policy of the Admiralty to keep our squadrons on distant stations sufficiently strong to protect our trade from attack by the foreign squadrons normally stationed in those seas.

Here is another singular paragraph—

It is, of course, possible that in war time an enemy might send out additional cruisers to attack our Colonial trade, but in this case our superiority in vessels of this class and our greater facilities of ports would enable us to despatch a preponderating force in pursuit.

When we consider the speed at which such raids can be made, we can only lay the flattering unction to our soul that after the damage has been done, there will be a fleet to pursue and break up the enemy. It is very small consolation to us to be told that we shall have revenge after our coast has

been raided; the first essential is that such raids should be made ineffective by a good system of naval defence. Paragraph 5 states further—

When the presence of a commerce raider in the Eastern seas is reported, it will be desirable to bring her to action without delay, and if possible before she can reach our own territorial waters.

That is eminently desirable from an Australian point of view, but it is also eminently desirable that our coasts should not be left defenceless—that we should not have to wait until a cruiser is sent in pursuit. Paragraph 6 shows that the charge I have made against the Committee is borne out by their own statements, as follows:—

Having regard to our present naval strength and dispositions, it follows from the above considerations that attacks on floating trade in distant seas will offer to an enemy but slight prospect of any but very transitory successes.

Senator DOBSON.—Hear, hear.

Senator PEARCE.—But it will be seen that we are to be the victims of those “transitory successes” While it may be of some consolation to know that the enemy will suffer afterwards, we cannot afford to be the victims of those “transitory successes,” and it is our duty to see that we are not made the victims. The following words from the same paragraph show on what a wrong basis we have been conducting our defence policy—

The oversea conveyance from a distant base of operations of a military expedition strong enough for the latter purpose—

That is, the permanent occupation of Australian territory—

and its continued supply with munitions of war when landed, would only be possible to a Power which was mistress of the seas, and was able to destroy or mask all the hostile ships that might at any time be in a position to interrupt the communications of the expeditionary force.

That is to say, we are spending about £800,000 per annum on military forces for the purpose of preventing military occupation, when, according to this report, military occupation is absolutely impossible while the British Fleet has control of the seas. At the same time we are spending nothing, and the report recommends us to continue spending nothing, on naval defence—the only protection from raids which the Committee hold are the one possible form of attack on Australia. Is that not a farcical conclusion? The Committee appear to have looked at the ques-

tion, not from an Australian, but from an English point of view. In paragraph 6 they go on to say—

It is evident that so long as British naval strength is calculated and maintained on the basis of securing command of the sea as against all probable enemies, and protecting the maritime communications of the Empire against disturbance, the attacks upon the Australian littoral against which land defence is required will be limited to raids hastily carried out by single vessels or small squadrons which have temporarily evaded our naval forces.

In order to cope with those single vessels or small squadrons, we are to continue to expend £800,000 a year, although such expenditure will provide absolutely ineffective defence. The vessels mentioned in the paragraph will not need to land any troops, or to come near our fortified ports, in order to "hold up," as Captain Creswell has pointed out, the whole trade of Australia; and the only effective safeguard against raids of the character contemplated is that to be found in that officer's proposals. The Committee of Imperial Defence, while regarding these raids as the only means of attack on Australia, condemn Captain Creswell's suggestions, and support the present wasteful and foolish system of expending £800,000 per annum on military defences, which, according to their own showing, will never be required. Paragraph 6 goes on—

Assuming it to be the object of the raiding vessels to avoid capture by our cruisers for as long a period as possible, while inflicting the maximum of injury on our commerce, their best course would be to remain in open water—

and not to come under the fire of our forts—

rather than to approach our coasts and commercial ports, where their presence would be quickly reported to our own ships, which, especially in Australian waters, will have a great advantage over them in respect of information. In the absence, however, of suitable measures of defence on land, commerce raiders might be induced to raid a port if the advantages to be gained thereby appeared to outweigh the risks involved in the disclosure of their position.

That is to say, under present conditions, those raiders would not come near the coast, but, keeping out in open water, would be able to "hold up" the whole of our trade and commerce until the British Admiralty were in a position to despatch a vessel to locate and destroy the enemy.

Senator DOBSON.—Does the honorable senator believe in that?

Senator PEARCE.—That is the theory put forward by this body of high military authorities.

Senator DOBSON.—Does the honorable senator believe in that last extract from paragraph 6?

Senator PEARCE.—I think there is a good deal in it.

Senator DOBSON.—Quite so; then, according to the honorable senator, it would be necessary to spend £3,000,000 on torpedo boats for the ports, and another £5,000,000 on cruisers to protect the trade.

Senator PEARCE.—That is not Captain Creswell's idea. The terms of the portion of paragraph 6 which I last read are almost identical with those used by Captain Creswell, and exactly bear out that officer's contention.

Senator DOBSON.—Cruisers, as well as torpedo boats and destroyers, would be required.

Senator PEARCE.—Torpedo boats and destroyers would be required.

Senator DOBSON.—And also cruisers.

Senator PEARCE.—Not at all. Captain Creswell points out that an unarmoured vessel of that class would not come within striking distance of torpedo boats or destroyers.

Senator DOBSON.—Of course not; but it would hover about and destroy trade outside the ports.

Senator PEARCE.—The honorable senator must know that if torpedo boats and destroyers could reach a vessel of that kind, it would be within striking distance of the coast.

Senator DOBSON.—If the vessel came near; but there would be no occasion for it to do so.

Senator PEARCE.—If the vessel kept so far out as to be outside striking distance of torpedo boats and destroyers it would be unable to "hold up" the commerce of Australia; and that is where the value of torpedo vessels is shown. To spend money on the military for the purpose of meeting this danger is, as I say, farcical. The Committee of Imperial Defence go on to deal with the measures of defence required on land, against attacks by raiding cruisers on Australian ports, and say—

From the point of view of the protection of sea-borne commerce, it is necessary to provide a certain number of fortified harbors of refuge. I draw the particular attention of honorable senators to these words. What does the suggestion mean? If anything, it means that when raiding cruisers make their appearance, the vessels of our mercantile fleet are to fly to harbors of refuge, and

remain there until the cruisers sent by the Imperial Government are able to locate and defeat the enemy. It is contemplated by the Committee of Imperial Defence that we can afford to have all our sea-borne trade locked up in that way; but that is certainly not the Australian point of view, and it is not a point of view that Australia can afford to take. To carry out a suggestion of the kind might be all very well for the merchants in England, who look merely to the trade which flows between the two countries, but it is by no means acceptable to Australian merchants, and to the workers and consumers here, who are dependent for their prosperity and well-being, and, in some cases, for their very existence, on the sea-borne trade on the coast. The Committee contemplate that that sea-borne trade shall be provided for by means of fortified harbors of refuge, where our merchantmen may lie at rest, it may be for months, while people are starving, and trade is paralyzed. In their report in this connexion they proceed to say that there should be provided these fortified harbors—

where merchant shipping can, in case of need, seek protection from capture or molestation, and remain in safety until commerce raiders in neighbouring waters have been dealt with by His Majesty's ships.

I say that that is a humiliating proposal to make to a free people. We are practically told that, while we are able to look after ourselves, so far as our land defences are concerned, we cannot make provision for the defence of our commerce on the sea, even so far as a raiding cruiser is concerned. The report goes on to say—

The function of the fixed defences—

and that is the only form of defence the Committee recommends—

will be to keep the enemy's cruisers at a sufficient distance from the object protected.

There is a glorious prospect for Australian commerce! We are merely to look forward to the possibility of being able to keep raiding cruisers from getting inside our ports, leaving them to take possession of the whole of the coast-line and all our sea routes. The report proceeds—

Raids on other commercial ports would gain for an enemy no advantage that he could not derive from attacking shipping on the high seas.

That is to say, those raiding vessels would not need to attack our ports, because they could inflict infinitely more damage by attacking our shipping at sea. That is a

Senator Pearce.

doctrine which no Australian, with the interests of his country at heart, could indorse for one moment. On page 7 of the report, where the possibility of dealing with such vessels and hostile squadrons is dealt with, we find the following:—

The recent changes in the distribution of the Royal Navy, which have aimed at disposing our forces in peace in the manner most likely to prove effective in war, have involved the formation of powerful squadrons of armoured cruisers. These changes, and the large number of modern vessels of this type of which this country is now possessed, have an important bearing on the question of the limitations attaching to the action of an enemy's armoured cruisers.

The formation of those squadrons does not apply to Australia, because I do not think there is an armoured cruiser on the Station. On the other hand, we know that foreign nations have armoured cruisers on the China Station, and that we recently had a visit from three armoured cruisers belonging to Japan, which were of a formidable character, and in action could have sunk any of the cruisers on the Australian Station. In order to show from this report itself that Captain Creswell's scheme is an effective one, I quote the following from the same page:—

If raiding attacks on Australian ports are attempted, the classes of vessels employed will, therefore, in all probability be those which are of small value for the major operations of naval warfare, such as unarmoured cruisers or armed merchant auxiliaries.

It is sometimes said, when an Australian Navy is advocated, that we cannot afford to purchase and maintain a fleet of battleships and cruisers. But here we have the Committee of Imperial Defence pointing out that we do not need such a fleet—that, in view of the present balance of naval power, the only vessels likely to be sent against us are unarmoured cruisers or merchant auxiliaries. And against such vessels the defence suggested by Captain Creswell would be amply sufficient. On page 13 of the report there is a paragraph to which I direct particular attention, because it exactly describes the present position of Australia—

It may be added that the employment of a naval force as "a purely defensive line" is a misapplication of maritime power opposed to every sound principle of naval strategy. To act deliberately on the defensive, and to organize naval forces with this object in view, is to adopt voluntarily the policy which is of necessity forced upon the weaker naval Power. What would be the position of Australia in the case of a great war? Would it not be

that of a weaker naval Power. And the Committee of Imperial Defence tell us that, in case of war, the best policy for the weaker naval Power is one strictly defensive in regard to its own coast.

Senator DRAKE.—Will the honorable senator read the words which follow?

Senator PEARCE.—The words are—

Australia need not be reduced to assuming such a rôle so long as she is a member of an Empire which is the strongest naval Power in the world, and which extends naval protection not only to the home land and to the most distant of the King's dominions beyond the seas, but also to all commerce sailing under the British flag.

But, as I pointed out, the Committee, in the first part of their report, contemplate that at the outset there would probably be raids on distant portions of the Empire, and that those raids would meet with some transitory successes. Australia is a distant portion of the Empire, and we are the people at whose expense these transitory successes would be achieved. So far as purely Australian defence is concerned, any attack directed against us by unarmoured cruisers or merchant auxiliaries would place Australia in the position of a weaker naval Power, assuming the Imperial Squadron to have been drawn away to meet a great national emergency in some other part of the world. Under such circumstances, so far as Australia is concerned, the British Fleet would not exist, because it would be occupied elsewhere in defending the main arteries leading to the heart of the Empire. We should therefore apply the principle which the Committee of Imperial Defence regards as sound, and, as a weaker naval Power, act deliberately on the defensive. To meet such an attack Captain Creswell's scheme is admitted by the Committee to be sound. I say again, that it is a distinct disappointment that during the last recess the Government was not able to formulate some definite scheme of defence for Australia. A number of questions await settlement, and the people of Australia had a right to be told that some definite scheme would be offered for their acceptance.

Senator CLEMONS.—We were distinctly promised that there would be such a scheme.

Senator PEARCE.—Yes, the Minister made a definite promise that during the recess he would prepare and be ready to place before us, when we met again, a scheme dealing, not only with military, but with naval defence. But we

are approaching the end of the present session, and are still in exactly the same position as we were last session. We have no information, no statement, no policy. We have the report of the Imperial Defence Committee, and we have Captain Creswell's scheme. We have had that before us for a long time; but the Government makes no indication of what it proposes to do. We have to go before the electors again with no Ministerial policy, and no expression of opinion from the Ministry with regard to the Imperial Defence Committee's report. Such a position is one of weakness and indecision, and is utterly unworthy of Australia. It is the duty of the Government, at the earliest possible moment, to say what its opinion is upon the report, whether it is intended to abandon altogether the proposal to effectively protect the Australian coasting trade, or whether the Government's idea of the defence of Australia is merely to provide fortified harbors, leaving our vessels open to hostile attacks, and our cities to raids by an enemy's cruisers in case of war. I bring forward this matter because I am strongly of opinion that an earnest protest should be made against the absolutely paralyzed condition of the defences of Australia.

Senator HIGGS (Queensland) [11.11].—I wish again to bring under the notice of the Senate the action of the Government with regard to Papua. We were told some weeks ago that the Government were negotiating to secure the services of Sir William McGregor as Administrator of the Possession. We were told that Parliament would be consulted before anything definite was done. The negotiations failed—probably because there was sufficient influence to induce the Imperial authorities to object to Sir William McGregor returning to Papua, that influence being exercised in the interests of a person already there. We understood that if the Government could not obtain Sir William McGregor they intended to appoint some person within Australia to fill the position. The Government has not made any such attempt, but has, instead, appointed a Royal Commission to inquire how far and in what manner the Government of Australia can assist the development of the Possession, and whether the existing *personnel* and methods of administration should be altered, and, if so, to what extent. It was a brilliant idea to appoint a Royal Commission. I am much surprised that the press of Victoria—

especially the *Argus*, which has had a great deal to say about the appointment of Royal Commissions by the Federal Government at other times—has not had a word to say in criticism of this new Royal Commission, which has been appointed, I think, for the purpose of endeavouring to whitewash Captain Barton. The members of the Commission are, first, Colonel Mackay, of New South Wales, a gentleman whom I do not know personally, but who I understand is not the kind of man whom any one would select to give an independent opinion.

Senator WALKER.—He is a C.B., member.

Senator HIGGS.—The second member of the Commission is Mr. Parry-Okeden, a charming gentleman personally, who has recently retired from the position of Chief of Police in Queensland, and whose friends appear to have been very anxious to get him something to do. The third member is Mr. Herbert, an officer in the Northern Territory. What experience have these gentlemen had which would entitle them to go to New Guinea, make investigations, and lay down a policy for the development of the Territory? There are members of both Houses of this Parliament who have given a great deal more attention to Papuan affairs than either of the gentlemen named. In my opinion, the appointment of a Royal Commission is entirely superfluous. The Minister of External Affairs is in receipt every year of a report from the Acting Administrator, based upon reports received from the Resident Magistrates, of whom there are from 14 to 17. Everything that could and can be known about the administration, the necessity for a developmental policy, the treatment of the natives, and how best to develop the mining fields is at present in possession of the Government. If there were a necessity for the appointment of a person to lay down a policy for the Possession upon the information already at hand, and upon the views of the officials, the gentleman to undertake that duty should have been the new Administrator. What was the use of passing the Papua Act if we are to hang it up until a Royal Commission has inquired into the affairs of Papua? If it were necessary to appoint a Royal Commission, that should have been done three years ago, as soon as it was proposed to take over the Possession.

Senator MCGREGOR.—The Commission is only appointed at Captain Barton's request.

Senator PLAYFORD.—Yes; at his request.

Senator HIGGS.—At Captain Barton's request! This brilliant idea must have originated in the mind of some other person than Captain Barton. Any one who has read Mr. Atlee Hunt's memorandum can see from internal evidence that he was put up to ask for the appointment of a Royal Commission. He has deemed it necessary to say that Captain Barton made a "spontaneous request" for a Royal Commission. A spontaneous request! Whoever would have dreamed that Captain Barton would apply for a Royal Commission except spontaneously?

Senator PLAYFORD.—Surely the honorable senator would not have Mr. Atlee Hunt say that Captain Barton made the request if he did not make it?

Senator HIGGS.—The gentlemen who are endeavouring to put Captain Barton in the position of Administrator were at their wits' end to know how to keep him there. Then this brilliant idea struck them—to appoint a Royal Commission, to which were to be given extensive powers. Mr. Atlee Hunt's memorandum is accompanied by a suggestive letter, drawn up by him for the information and instruction of the members of the Royal Commission. I should like honorable senators to note the modesty with which Mr. Atlee Hunt refers to himself in this document. In paragraph 6, he says:—

In 1905 the secretary of this Department visited the Possession, and presented a report, copies of which I annex. I should explain that Mr. Hunt's views, as expressed in that report, are personal to himself, and are not to be considered as departmental. They will be doubtless of interest to you as the opinion of an officer who has given much attention to the question.

There is not a word in this letter to the Prime Minister about the reports, far more valuable, of a prominent member of the Federal Parliament who visited Papua on various occasions. One would have thought that if Mr. Atlee Hunt wanted to give information to the Royal Commission, he would rather have suppressed his own work, and would have referred to the work of gentlemen whose reports, as I have said, are far more valuable. Senator Pulsford has said that Mr. Atlee Hunt has given a great deal of attention to this subject. I have read his report. It is cer-

tainly a very good literary production. No one can deny that. It is done very well indeed. But any one who has also read the reports that have been furnished at various times by the Administrators and the accompanying letters of the resident magistrates, will recognise that Mr. Atlee Hunt's report is largely based on information which he gained from reading those documents, and not from any information which he was able to acquire during the royal progress which he is reported to have made when he visited Papua. The suggested draft letter drawn up by Mr. Atlee Hunt does not merely cover an inquiry as to whether Captain Barton's conduct is such as to entitle him to continue as Administrator, but also an inquiry into everything connected with the Possession. The Royal Commission is even asked in paragraph 1 of the letter to review the Papua Act passed by the Federal Parliament, and it is invited, I suppose, to make suggestions as to how the Act should be amended. The Commission is also asked to inquire into the best means of developing the mining industry; the prospects of agricultural development; the best method of treating the natives, and so on. All this, I submit, is work that should be done by the new Administrator, and by the Legislative Council to be appointed under the Papua Act. The action of the Government is so objectionable to me that if it were within my power to put them out of office to-morrow I would cast a vote to do so. A Government that is capable of appointing a Royal Commission of that kind under such circumstances is, to my mind, not worthy of the confidence of the members of this Parliament. I wish to say a word or two about the influence that is being brought to bear in the interests of Captain Barton. There is a gentleman in the Commonwealth, a high official, who in the position which he holds is doing his best to further the interests of Captain Barton. I remember once saying to a member of the Federal Parliament that I hoped to see the day—and I still hope to see the day—when Australians will fill all positions that are available within this Commonwealth. I said that I hoped the time would come when even the posts of State Governors and of Governor-General would be filled by Australians.

Senator WALKER.—What is the special virtue about Australians?

Senator HIGGS.—The honorable senator may have a very poor opinion of himself,

but I do not consider that Australians are entitled to have such little confidence in themselves as to think that they are not capable of filling positions within the Commonwealth, whatever they may be.

Senator WALKER.—Surely we are not going to monopolize things for Australians.

Senator HIGGS.—I shall cast my vote in that direction, anyhow. I believe that Australians should hold these positions, and that to appoint them to high offices would encourage that national sentiment without which Australia will never be the country that it ought to be. The argument commonly advanced against such a proposal is that Australians, if appointed to these positions, would interfere in politics. In this very case we have a gentleman who has not only interfered in the past in State politics, but is now interfering in Federal politics, with a view to get Captain Barton appointed to this position. I am somewhat circumscribed in mentioning this gentleman, because one of our standing orders prevents me from speaking disrespectfully of His Majesty's representative within the Commonwealth. I am not sure whether our standing order does not refer especially to the Governor-General.

The PRESIDENT.—I think it would include all Governors. If the honorable senator reads the next standing order to that referred to he will see that the two, taken together, include State Governors.

Senator MILLEN.—Does the honorable senator wish to speak disrespectfully of any one?

Senator HIGGS. — I am wondering whether I shall be held to be speaking disrespectfully of the man I have in my mind when I refer to him as an utter failure.

The PRESIDENT.—I do not know to whom the honorable senator is referring.

Senator HIGGS. — After all, does it make any difference? Honorable senators will understand that, if I were at liberty to do so, I should refer to this gentleman in very strong terms, and I propose to do so when I get outside. I cannot do it in the Senate. Anyhow, there are certain gentlemen who are using their high offices in a manner which I think is not within their right. We shall have a chance, no doubt, on the public platform, to criticise their conduct, and to support our view that Australians only should be appointed to positions within the Commonwealth service. I repeat that the work which the new Royal Commission is asked to do is work which

should be that of the new Administrator of Papua. The gentleman who is appointed to the position of Lieutenant-Governor will have to decide, for instance, whether it is wise—as I have mentioned in a question in the Senate—to reduce the standard chest measurement of native carriers, or to use the funds of the Possession to construct roads which will enable mules and vehicles to take supplies to the miners. Whatever the Administrator and the Lieutenant-Governor may do will necessarily be of a purely experimental character, because the views of this Parliament with regard to the people of the Possession are somewhat advanced, as compared with the views held by people in other parts of the world who have charge of native administration. I am sorry that my hands are tied, and that I cannot practically give effect to my feeling in regard to the Government except by the strong expression of my opinions. I regret that I cannot record a vote to cast them out of office for their action in appointing this Royal Commission.

Senator STANFORTH SMITH (Western Australia) [11.28].—I was unfortunate in not being able to catch your eye, Mr. President, when Senator Pearce sat down, because I wished to continue the discussion upon the report of the Imperial Defence Committee. I quite agree with Senator Pearce that it is unfortunate that the Government has not fulfilled its promise to bring forward a definite defence policy for the Commonwealth, as we were assured last session would be done. We now have in our hands a report which purports to be a general scheme of defence for Australia. Reading through that document, it seems to me that the great subject of defence has been narrowed down to a mere question of the protection of our ports and shipping. This in itself is a matter of great importance. But it is nothing in comparison with the far greater question of a defence against the possible invasion of Australia, a subject which is hardly, if at all, touched upon in the report. I interjected when Senator Pearce was speaking that the Imperial Defence Committee proposed to make provision for the protection of our money-bags, and no provision for the protection of our native land, which, of course, is of infinitely greater importance. It would be admittedly a great calamity if a raiding squadron should destroy wholly or partially our coastal cities or destroy our trade and commerce. But, relatively speaking,

that would be small in comparison with the awful calamity of an invasion. One would be in the nature of a pickpocket, who had robbed us of a certain amount of wealth, and the other would be in the nature of an assassin, who was trying to deprive us of our national existence. The great question of the defence of Australia, from the point of view of an invasion, does not seem to have exercised the mind of the Imperial Defence Committee in any way. When we consider the question of an invasion, we admit that our first and most important line of protection is the British Navy. Australia would not have been a part of the British Empire if it had not been for the British Navy, and, for over a century, its development has proceeded in a calm and quiet manner, simply and solely on account of its protection. But are we prepared to stake our national existence on the question of the continued supremacy of the British Navy? A few years ago it was almost equal to the combined navies which could be brought against it. But, at the present time, that is not the case. New naval Powers have sprung into existence, and we have now the possibility of a combination of naval Powers being against us which would be overwhelming.

Senator WALKER.—What Powers?

Senator STANFORTH SMITH. — I have particularly in my mind Germany, the United States, and Japan, which a comparatively short time ago were not naval Powers.

Senator WALKER.—The United States is never likely to be against us.

Senator STANFORTH SMITH — I hope not, nor do I believe that the others ever will be against us. I am merely stating the fact that there could be a combination of naval Powers which would probably end in the defeat of the British Navy.

Senator PLAYFORD.—There has been that possibility for a great many years. We have only said that we would keep enough ships to fight two combined Powers, and I think we are in that position now.

Senator STANFORTH SMITH.—We know that the British Navy was probably never so strong as it is now, under the direct supervision of Admiral Fisher. We are delighted with that fact, because that is the principal protection of our national existence; but we should not rely absolutely and fanatically on the continued supremacy of the British Navy. Let us consider what would be the effect in Australia

if the British Navy were defeated. It would be a question of our national existence. We have a force of less than 50,000 men, including the members of rifle clubs.

Senator PLAYFORD.—The rifle clubs comprise 37,000 men alone.

Senator STANIFORTH SMITH.—And, with the others, they make less than 50,000 men.

Senator PLAYFORD.—We could put into the field to-morrow 70,000 odd men.

Senator STANIFORTH SMITH.—That is absolutely incorrect, and I am surprised at the Minister of Defence making such a statement.

Senator PLAYFORD.—In the course of a week or two we could.

Senator STANIFORTH SMITH.—There is an effective force of less than 50,000 men whom the Minister could put into the field. Recognising the immense importance of the British Navy, are we going to stake our national existence upon its continued supremacy? That question is not discussed in the report of the Imperial Defence Committee.

Senator PLAYFORD.—Because the Committee had already discussed that question and laid down certain lines. They said that the chances were that we would never have to meet a force of more than 20,000 men, and under no circumstances that they could imagine a force of more than 50,000 men.

Senator STANIFORTH SMITH.—Let us obliterate from our minds the British Navy, and see the position in which Australia would stand in the event of an invasion by a force of 20,000 men. The most accessible portion of Australia to a hostile force, and the portion which could be most easily invaded would be Western Australia, or the Northern Territory. Assuming that the British Navy did not exist, and that an invading force, not of 20,000, but of 5,000 men, came down to the Northern Territory. We have not a soldier or a gun there, and it would be impossible for us to send a soldier or a gun within 1,000 miles of the place. The only hostile attitude that we could adopt would be to send a firmly worded telegram of protest against the force landing upon our native land. Again, if 20,000 men were to land in Western Australia we have a force of less than 4,000 men, including the members of rifle clubs, to resist the invaders, and what is of more significance, only 4,000 rifles in the whole State. It possesses probably the richest gold mines

in the world, an immense area of pastoral land, and millions of sheep and cattle. Assuming that the British Navy did not exist, a force of 20,000 men could land anywhere in Western Australia, and hold that third of the Continent. However many able-bodied men we have in the State, we possess only 4,000 rifles, and, of course, we could not resist an invasion.

Senator MILLEN.—Is there no room for the expansion of the forces?

Senator STANIFORTH SMITH.—There is no reserve of arms there that I know of. The 46,000 armed men in the eastern States could not get within 1,000 miles of their brethren endeavouring to resist an invasion in Western Australia, and that third of the Continent, containing rich gold mines, which always appeal to an invading force, rich pastoral lands, and scores of millions of accumulated wealth, would be defended by less than 4,000 men and 4,000 rifles. We have to recognise that our first and most important line of defence is the British Navy, and to consider our own defence from two points of view—from the point of view of a raid, which would simply mean the loss of wealth, an undoubted calamity; and from the point of view of an invasion, which may mean the loss of our national existence. While we may have made fairly adequate provision against raids by fortifying our harbors and laying mines, our provision against an invasion of Australia is absolutely fantastic and ridiculous.

Senator PLAYFORD.—Oh!

Senator STANIFORTH SMITH.—Of course, what I have said may be foolish, and the Minister may think that there is no probability of an invasion. Although we are spending on 50,000 men about £500,000 a year, yet the fact remains that 46,000 are penned up in the south-east corner of Australia, and could not defend any other part of it in the event of an invasion.

Senator MILLEN.—They have a fair amount of elbow-room.

Senator STANIFORTH SMITH.—Of course, I am speaking in general terms.

Senator PLAYFORD.—Evidently the honorable senator wants a railway made.

Senator STANIFORTH SMITH.—Those men could go north as far as Rockhampton, and west as far as Port Augusta. The possibility of an invasion in the event of the British Navy being defeated is the paramount question. It is more important even than the question of an Australian

Navy, and far more important than the question of a raid upon Australia. I hope that when the long-promised scheme of the Government reaches fruition it will guard against the danger of an invasion, and secure us against the possible loss of our national existence.

Senator CLEMONS (Tasmania) [11.40].—In order to be accurate in my remarks, I have been refreshing my memory with regard to certain matters which were discussed here on the last Appropriation Bill. I refer specially to the question of defence. I do not wish to begin finding fault with the Minister of Defence until I am certain as to whether or not he has an adequate answer to the criticism which probably he will hear later on when the Appropriation Bill is under consideration. I wish, in fairness, to remind the honorable senator that last session he gave the Senate clearly to understand that, first of all, he would deal with the matter of making provision for naval cadets throughout the Commonwealth. So far as I have been able to ascertain from a perusal of papers which have been distributed elsewhere, no such provision has been made on this year's Estimates.

Senator PLAYFORD.—There is a considerable sum put down.

Senator CLEMONS.—Perhaps I was slightly inaccurate in saying that no provision is made. What I maintain is that the Minister has not made adequate provision, nor anything like the provision which he gave the Senate clearly to understand last year he would see was made.

Senator PLAYFORD.—I believe I said that I would do something, and what I have done is a start.

Senator CLEMONS.—I shall withhold any strong expression of opinion until the Appropriation Bill is submitted, but I think it only fair to tell the Minister that I shall do my utmost this year to alter the item for this purpose in the Appropriation Bill. I join with Senator Pearce and others who feel very strongly on the question of naval defence, and deplore its inadequacy and neglect, but I mean to go further. I do not intend to limit myself to a discussion on this Supply Bill, but I mean to take every possible step in my power to alter the item in the Appropriation Bill. I shall re-state the position as it appears to me, and I believe that I have the sympathy of many honorable senators. We are spending, as the Minister told us last year, £1,000,000 a year on

defence. Of that sum £50,000 was set aside for the purpose of naval defence, excluding, of course, the subsidy of £200,000 to the Imperial Navy.

Senator PLAYFORD.—That is for naval defence.

Senator CLEMONS.—I admit that.

Senator PLAYFORD.—It means a total expenditure of £250,000.

Senator CLEMONS.—I admit that £50,000 is spent—I might say misspent—locally on so-called naval defence.

Senator MILLEN.—But the expenditure of money is not necessarily defence.

Senator CLEMONS.—It is spent for that purpose, and a sum of £200,000 is contributed to the Imperial Navy as a subsidy. The total expenditure, therefore, is £250,000. I repeat this year what I said last year, that if the position were reversed, and we spent £750,000 on naval matters and £250,000 on land defence, it would much more nearly approximate to my idea of what is desirable, necessary, and proper for the Commonwealth.

Senator PLAYFORD.—The honorable senator will come into antagonism with the last speaker, who wants us to spend more money on land defence.

Senator CLEMONS.—I should be extremely sorry to find myself in antagonism with any member of the Senate; but on this subject of naval defence I feel very strongly. I consider that during a period of six years this Parliament has spent an enormous sum on so-called land defence, and that a large proportion of it has been wholly wasted. I propose this year to do everything in my power to alter the appropriation of the money for the various purposes of land and naval defence. I hope that in the interval the Minister will not merely redeem his promise of last year, to assist the Commonwealth to a better scheme of naval defence, but prevent a great many honorable senators from being compelled to vote against him on so important a measure as the Appropriation Bill, because that I feel is likely to happen. I voted for the subsidy of £200,000 to the British Navy—and, as I said last year, I should, if necessary, vote for a larger subsidy—on the distinct understanding that I did not regard it as in itself forming a complete part of our naval defence, but only as a means to an end—simply as part of a proper Commonwealth scheme of naval defence. In my opinion, it ought to be largely supplemented by the expenditure of money

tralian Navy. I do not pretend to be an expert on these matters. I am inclined to defer considerably—of course, reserving to myself the right of criticism, even although he is an expert—to the Naval Director. There is much in his report to commend it to the Senate; but, so far as I can estimate what is going to happen in connexion with the Appropriation Bill, it will be entirely ignored by the Government.

Senator PLAYFORD.—How could we deal with the matter in the Estimates when we had not got the report from the Imperial Defence Committee? Surely we ought to be very careful before we ask Parliament to agree to an expenditure of over £3,000,000.

Senator CLEMONS.—That is not the whole question. I have never intimated that we must necessarily spend £3,000,000 per annum on defence.

Senator PLAYFORD.—Not per annum, but on a fleet, which, according to Captain Creswell's estimate, would cost £2,500,000. Since his visit to England, where he obtained further information, he has had to considerably increase the estimate.

Senator CLEMONS.—That may be.

Senator PLAYFORD.—We ought to be very careful before we sanction the spending of so much money.

Senator CLEMONS.—That is not quite the question. I think it should be sufficiently obvious to the Ministry that when they received Captain Creswell's report, and learned that it was the wish of very many members of each House—of a majority, I believe, if they would only speak their minds—that more money should be devoted to the preparation of an adequate scheme of naval defence—

Senator PLAYFORD.—Hear, hear! there is no doubt about that.

Senator CLEMONS.—I am glad that the Minister agrees with my remark. Captain Creswell was of opinion that very much ought to be done in the direction of naval defence. The Government have entirely ignored his report. The Minister's answer to me is that they could not act on the report, because they wished to hear from the Imperial Defence Committee. They could have acted on the report. I do not say that they could have gone into the details, but they could have provided for the expenditure of a larger sum on naval defence. They could have done a great deal which would not have

report of Captain Creswell, or the report of the Imperial Defence Committee, in offering opportunities in Australian waters for the training of Australian seamen. So far as I can ascertain, they have done practically nothing.

Senator PLAYFORD.—We have put on the Estimates an increased amount for naval cadets.

Senator CLEMONS.—What is the increased provision for naval cadets? The provision made is absolutely ridiculous. The Minister of Defence must know that the amount expended on so-called naval defence is mostly wasted. What is the use of maintaining an obsolete vessel like the *Protector*?

Senator PLAYFORD.—The *Protector* is the most useful vessel we have, and it is used for training purposes at Melbourne, Sydney, Hobart, and all over the Australian coasts. It is the only vessel we have for the purpose.

Senator CLEMONS.—It is disgraceful that the only opportunity for training our people to become sailors should be that afforded by a boat like the *Protector*. It is contemptible and ridiculous.

Senator PLAYFORD.—The *Protector* is a splendid boat.

Senator CLEMONS.—The *Protector* is only about 800 tons register, and it is farcical that our only training ship should be one that has been obsolete for the last thirty years.

Senator PLAYFORD.—She was not built thirty years ago.

Senator CLEMONS.—The *Protector* must be at least thirty years old.

Senator PLAYFORD.—She was not obsolete when she was built.

Senator CLEMONS.—I shall not quibble on that point. We are maintaining an utterly inadequate vessel like the *Protector*, while the Government neglected an admirable opportunity to secure some of the vessels recently removed from the Australian Station. Whilst those vessels might not have been suitable for purposes of defence, they would have been vastly superior to the *Protector* as a means of training. If the present Government had had any energy they could have purchased those vessels for a mere song—that is, two or three of the vessels might have been acquired for perhaps £5,000. Indeed, the probability is that if the Government had had sufficient enterprise to make the request, they might have obtained the vessels for nothing.

less boats would have been a miserable provision for defence purposes.

Senator CLEMONS.—The Minister is either wilfully or stupidly ignoring the fact that I am now suggesting that these Imperial vessels might have been obtained for training purposes, and I am emphasizing the fact that in this connexion the Government missed a splendid opportunity. However, the Minister, with that absurd affection for anything which comes from a State I shall not mention, thinks it more advisable to keep in commission such a craft as the *Protector*, than to acquire boats of five or six times the tonnage and capacity. I am sorry that the Ministry showed such shameful neglect, because the acquiring of these vessels would have done something to promote a better and most desirable feeling in Australia in regard to the wishes of the Imperial authorities as to Australian naval defence; at all events, some good would have been done if such a request as I have indicated had been made by the Government, and, as I have no doubt it would, have been granted. The opportunity, however, has been missed through ignorance or apathy, or, I suppose, that neglect, which affects most Ministers—and I make no exception of Senator Playford—as soon as Parliament gets into recess. I wish to intimate in the clearest possible way that when the Appropriation Bill is before us, I shall do my utmost to secure to the Commonwealth, better provision for naval defence, even to the extent of dividing the military expenditure by three, and adding as much as I can to the naval expenditure. I have no desire to inflate the defence expenditure as a whole, because I consider that a vast amount is now wasted. But we desire to get good value for our money, and the easiest way to attain that end is to devote it to naval defences. I do not care how much importance any honorable senator may attach to the military defences, he will readily admit that, generally speaking, no defence expenditure is more satisfactory than that devoted to the Navy of Australia or any other country. Our naval men are of a type for which every one has much more admiration than for ordinary military men; and if that admiration be lacking we are beginning the downfall of the Empire. To me it is monstrous that Australia, surrounded as it is by water—a huge island—should, as we are often told we ought, imitate the defence policy of a small land-

after time in the Senate I have heard Switzerland held up as an example of the proper form of defence for the Commonwealth. I do not often deal with military or naval matters, because I do not profess to know much about them; but I may claim some faculty for investigating comparisons, and some ability to recognise when a parallel is a parallel. It has always occurred to me as ludicrous in the extreme that we should seek to mould our defences on such a model. On the other hand, I object to the maintenance of anything like a standing army. If we want good value for our money we can get it in naval men—they are, and always have been, the handy men of the Empire—and I would sooner trust the land defences of Australia to-day to 20,000 naval men just off the ships than to 50,000 men of our so-called army.

Senator WALKER (New South Wales) [11.55].—Senator Clemons seems to be under the impression that the *Protector* is the only vessel available for training purposes.

Senator CLEMONS.—There are other vessels, but they are just as bad as the *Protector*.

Senator WALKER. — His Majesty's ships at Sydney take men in batches for training purposes, and, in this connexion, there have been most satisfactory reports.

Senator PLAYFORD.—We are drilling 400 men on board these vessels.

Senator CLEMONS.—We ought to be drilling 40,000.

Senator WALKER.—My object in rising is to point out that if the Government intend to bring in a Bill dealing with the Federal Capital Site they should do so quickly. If the question is not settled this session there may be returned a number of new members who will desire to have a repetition of the expeditions made to proposed sites. I gather from the accounts of a recent trip that the Government have some idea of bringing in an amending Bill—that Dalgety is no longer the favoured site.

Senator O'KEEFE. — Dalgety is "stronger" than ever.

Senator WALKER.—I only suggest, on the score of expense, that if there is to be any alteration, the sooner it is made the better. It is said that the present Parliament will expire about the end of next month, and, if that be so, I, as a representative of the mother State, would

be glad to know that before we separate we may hope to have a final settlement of the question. I urge the Minister of Defence to let his colleagues know that, at all events, the New South Wales representatives look for a speedy determination.

Senator O'KEEFE (Tasmania) [12.0].—Honorable senators owe a debt of gratitude to Senator Pearce for the vigorous speech he made this morning on the question of defence, and in relation to the apparent apathy which exists in the Department. It is unpleasant for honorable senators to be continually questioning the actions of the Minister of Defence; but there is one matter to which I feel bound to refer. Some twelve months ago we were promised by the Minister of Defence that some kind of policy would be outlined during the recess, and that Parliament would have an opportunity to discuss the proposals submitted. We have now been in session some three months, and we understand that Parliament will be prorogued within a very few weeks; and the promise I refer to has not been carried out. I am still hopeful, however, that the Minister may yet outline a more vigorous defence policy than has yet been placed before us. It is ominous, however, that the recommendations made by Captain Creswell appear to have been ignored, and that, as yet, we have had no word from the Minister, either in Parliament or through the medium of the newspapers, as to the opinion entertained by him on the report of the Committee of Imperial Defence.

Senator PLAYFORD.—That is not so. In the *Melbourne Age* the other day it was distinctly stated that I am favorable to Captain Creswell's scheme.

Senator O'KEEFE.—Then I withdraw the remark as to the newspapers.

Senator PLAYFORD.—That is my personal view. I cannot answer for the Government.

Senator O'KEEFE.—I read the newspapers and attend here each day, and I have not heard from the Minister any reference to the matter. I hope, however, that before we are called upon to deal with the Defence Estimates we shall have some declaration from the Minister as to what is the policy of the present Government. There is another matter to which I desire to refer. A few weeks ago, when Senator Higgs submitted a motion in favour of

the appointment of an Australian, or some one with Australian experience, to the position of Lieutenant-Governor of New Guinea, Senator Playford, in the course of the debate, gave us to understand that, if the services of Sir William McGregor could not be obtained, another gentleman would be appointed. Not the slightest hint was then given that the whole matter was to be shelved by being relegated to a Royal Commission.

The PRESIDENT.—Is the honorable senator referring to a former debate of this session?

Senator O'KEEFE.—I am.

The PRESIDENT.—Then the honorable senator is out of order.

Senator PLAYFORD.—I do not think that at that time the Government had any request from Captain Barton for a Commission of inquiry.

Senator O'KEEFE.—Do I understand, Mr. President, that I am not allowed to refer to the *Hansard* report of the debate on Senator Higgs' motion this session?

The PRESIDENT.—No, certainly not.

Senator O'KEEFE.—It has always seemed to me that that standing order very frequently restricts proper discussion.

The PRESIDENT.—That is a reason for altering the standing order.

Senator O'KEEFE.—Without contravening the standing order, I may say that there was an impression, not only in this Chamber, but outside, that an appointment would be made, and that the only reason for any delay was that an endeavour was being made to secure the services of Sir William McGregor. Now, however, the whole business has assumed quite a different phase. The voting on Senator Higgs' motion would, I think, have been different had it been known that the question of the appointment of a Lieutenant-Governor was to be shelved indefinitely by the appointment of a Royal Commission, whose business, practically, it will be to inquire whether it is necessary to have a Lieutenant-Governor, and, if so, who is the best person available. I am very much afraid that the Commission is one to whitewash Captain Barton's administration.

Senator CROFT.—The Government had already expressed a want of confidence in Captain Barton by negotiating with Sir William McGregor.

Senator O'KEEFE.—Exactly; and the Government offered Sir William McGregor a higher salary than that paid to Captain

Barton. The Government knew perfectly well that the services of Sir William McGregor could not be obtained unless at a higher remuneration than that laid down in the Papua Act; and yet they were prepared to go beyond that Act, believing such a step would be acceptable to Parliament and the people. As some of us foresaw, Sir William McGregor would not accept the position; but the Government have not carried out their solemn promise that the next best man would be appointed, and that, all things being equal, an Australian would receive the position. My opinion is that the appointment of the Royal Commission is opposed to the wishes of the majority of Parliament. So strong is the feeling that the life of the Government would, I think, be of very short duration if a number of members had an opportunity to vote on the question. Nothing has occurred during the session which has more shown the absence of stability and backbone on the part of the Government, who seem to be afraid to accept the responsibility imposed upon them by an Act of Parliament. We passed the Papua Act, which provided that a Lieutenant-Governor should be appointed to administer the Possession. When that Act was under consideration Senator Playford pleaded with us that the Government should be given the responsibility of making the appointment. The Senate by a majority left that responsibility with the Government. But what has happened? The Government is shelving that responsibility by appointing a Royal Commission. We cannot be accused of being unduly suspicious when we say that they have appointed it for the purpose of whitewashing a gentleman who, it is said, is on particularly friendly terms with some of the members of the Commission. It is expected, therefore, that the outcome will be that the present Administrator will have everything made nice and smooth for him. Does the Government sincerely believe that the present Acting Administrator of Papua is the best man for the position? If so, it should take the responsibility and appoint him. If that action proved to be right, and it was demonstrated that he was an eminently fit man to administer the Possession, we who are criticising him should be proved to be wrong, and should honorably acknowledge it. Personally, I think that he is not the best man. So far as I can judge, it is doubtful whether he ought

Senator O'Keefe.

to be appointed. But in any case I maintain that the Government should accept the responsibility which they pleaded so hard for.

Senator CROFT.—Does not the honorable senator recollect that the Government had the support of the Opposition on that occasion?

Senator O'KEEFE.—Oh, yes; and some members of the Opposition no doubt voted with them because, as was easy to see, they did not believe in the sentiments expressed by honorable senators on this side that an Australian should be appointed.

The PRESIDENT. — The honorable senator is again referring to a previous debate.

Senator O'KEEFE.—I apologize for having transgressed the standing order, but it is very difficult when one is discussing a question that has previously arisen in the present session, and the two matters are so inseparably interwoven, to refrain from touching upon what has previously occurred. I desire to allude to another question relating to the Post and Telegraph Department. Something occurred a short time ago in Tasmania, which appears to me to be rather serious, and requires the earnest and immediate consideration of the Department. It may appear to some honorable senators to be small, but it involves a very big question. The Department employs a detective to visit various places, and keep an eye on the work of officers of the Department. The detective, following up his occupation, was sent to make investigations in Tasmania. He made certain inquiries, but before there was time for his report to reach the head office of the Department an account of it appeared in the Launceston newspapers. A summary which, in its abbreviated form, appeared to be even more condemnatory, appeared in the Melbourne Age a day or two afterwards, having apparently been telegraphed from Launceston. I am not going to say whether the charges made by the detective, practically against the whole of the officers in the Launceston Post Office were well founded or not. It is for the responsible officers of the Department to determine that question. But I do say that it is absolutely unfair that charges should be scattered broadcast over the country against a number of officers, many of whom have for years borne an honorable name, and who have been associated for the best part of their lives with the Department, merely on a report by a detective, published before

it reached the Department. The officers attacked are entirely powerless. They have not the right to rebut the charges. Any denial made on their behalf must be made through the head of the Department. I again call the attention of Senator Keating, who has charge of the business of the Post and Telegraph Department in the Senate, to my assertion that Detective McWilliams went entirely beyond his proper duty when, after making his investigations at Launceston, he gave information to the newspaper reporters—as he must have done, because the reporters could not have obtained it from any one else. The report was highly condemnatory of the work, the honesty, the integrity, and the general fitness of officers in Tasmania, and especially in the Launceston office.

Senator KEATING.—The answer which I gave to the honorable senator's question some days ago was that the Department regarded the action of the detective as highly irregular, and that an inquiry was being made into it. I do not know what has since been done.

Senator O'KEEFE.—I am aware that the Minister informed me that the departmental view was that the conduct of the detective was highly irregular. I have heard nothing further since I put my question, and that is why I refer to the matter again to-day. I trust that the Postmaster-General will give the officers redress in the only way in which he can render justice to them, by allowing them to have their side of the question published. I have very good authority for saying that the charges made by the detective, branding a large number of officials practically as rogues, were flimsy and trivial in the extreme. I believe that the matters complained of were merely little incidents, magnified by the detective for some reason unknown to me.

Senator KEATING.—The unfortunate fact was that, no names being mentioned, the whole of the officers were thrown under suspicion.

Senator O'KEEFE.—Exactly. Every official connected with the Department in Launceston was thrown under suspicion, because no names were published. Naturally, every official resented this unworthy imputation on his character; and yet they are powerless to clear themselves. I think it is a very serious question that a detective of this character should be retained in the Department when he is guilty of such conduct.

Senator STYLES (Victoria) [12.19].—I should like to know whether the Imperial Government has kept its part of the Naval Agreement towards which Australia contributes £200,000 a year? Is there an armoured vessel on our coast at the present time?

Senator PLAYFORD.—No, but there is a vessel which is considered to be quite as good.

Senator STYLES.—On whose authority does the Minister make the statement that a protected cruiser is as good as an armoured vessel?

Senator PLAYFORD.—On the authority of Captain Creswell, whose statement to me is that, taking the fleet as a whole, it is, in fighting strength, equal to, if not superior than, that which the Imperial Government promised to give us. It is not exactly in every detail what the agreement provided for, but in fighting strength it is superior.

Senator STYLES.—Then, it is true that there is no armoured vessel in these waters, but that we have a protected cruiser, which is considered to be as good. If that be the case, I wonder why it is that the Imperial Government spends millions in building armoured vessels. I understand that the deck of a protected cruiser is protected by 2-inch plates, whereas an armoured vessel has its sides protected as well. If Captain Creswell says that the vessel which we have in our waters is equal to what was promised to us, I am satisfied, because I attach a good deal of weight to his opinion. Another point to which I wish to refer is that, under the agreement, the Royal Naval Reserve was to consist of 25 officers and 700 seamen. But, as a matter of fact, it consists of only 5 officers and 305 men. How is it that that portion of the agreement has not been adhered to by the Imperial Government?

Senator PLAYFORD.—We are told that it is necessary for the men who are trained in Australia to be brought up to a certain pitch of effectiveness before they can be put on board the vessels. The naval authorities are actually working up to what is provided for in the agreement, and it is only a question of time when we shall have the full complement.

Senator STYLES.—If the strength is increasing every year, I can understand the reason given by the Minister to be a sound one.

Senator PLAYFORD.—I think it is.

Senator STYLES.—Steps should be taken to see that the agreement is being

carried out in this respect. If it is shown that there is a substantial increase every year in the number, I shall be satisfied. Of course, I can understand that it would be impossible to put 700 men in the reserve all at once; but if the number is substantially increased annually, I shall be satisfied that the agreement is being carried out in the spirit in which it was made. I wish to ask, also, whether the attention of the Minister has been called to the fact that a warrant officer at Williamstown has been in the habit of training, at his own expense, a number of cadets? He has spent a large amount of his own money in doing this work.

Senator PLAYFORD.—Those cadets are outside our control.

Senator STYLES.—Does the Minister say that they are not being properly trained by this officer?

Senator PLAYFORD.—They are connected with some religious bodies.

Senator STYLES.—Are they any the worse for that?

Senator PLAYFORD.—Not a bit.

Senator STYLES.—Is it not a fact that this officer has spent a good deal of his own money, and much of his own time, in training these cadets; and does not the Minister think that the Department should do something to assist him?

Senator PLAYFORD.—I have taken the matter into consideration, and am most willing to do something; but how can we control what an officer is doing outside the Department?

Senator STYLES.—I think that the Minister might strain a point to give some encouragement to a man who has the well-being of the country so much at heart as to train cadets at his own expense. Surely he should receive some sort of aid. I commend the matter to the Minister's consideration, and hope he will see whether something cannot be done to recompense this officer for the trouble he has taken.

Senator MILLEN (New South Wales) [12.24].—There is a small matter which I should like to bring under the attention of the Minister representing the Postmaster-General. In his absence, perhaps the Minister of Defence will make a note of it. Recently a new station has been opened in Sydney, and one might have expected, under the circumstances, that a little business consideration would be given to it by the Post and Telegraph Department. Provision has been made for a post-office

at the station, but it is a curious thing that, whilst that post-office is situated on one of the platforms, the place at which one has to post one's letters is 100 yards away. Any one knows that people who use a post-office at a railway station are generally those who are going by train, and have very little time to spare. Yet in this case it is necessary to go to the post-office on one of the platforms to purchase a stamp, and then to go outside the station to post the letter. I ask the Minister to direct the attention of the Postmaster-General to this subject with the object of having a receiving box placed at the post-office, so that those who address their letters there can immediately drop them into the box, and go away to catch their trains. I have a word or two to say in regard to defence. I do not pose as an authority on the matter. I admit at once that this is one of the subjects to which I have given very little attention. I say that with some regret. But I do wish to impress upon the Minister the fact that, so far as I can gauge the opinions entertained in my own State and elsewhere, there is a strong feeling that the Defence Forces of the Commonwealth are not in such a condition as they ought to be in. I join with those who have expressed regret that the Minister has not placed before Parliament, and the country, a complete defence scheme. I should like to know how long we have to wait for the long promised plan of the Minister. While I look forward to the appearance of his scheme, I am under the impression that the Minister is not retaining a fairly open mind with which to consider the suggestions of the Imperial Defence Committee. Only the other day, a paragraph appeared in a newspaper, the practical correctness of which the Minister admitted, in which he expressed an opinion adverse to the Imperial Defence Committee's report before he had had reasonable time in which to consider it.

Senator PLAYFORD.—Yet Senator Pearce complained that I had not made up my mind about it.

Senator MILLEN.—There is no inconsistency in the criticism. What I am pointing out is that the Minister, on his own showing, by admitting the authenticity of the paragraph, and by saying that he had not had time properly to consider the scheme, prejudiced himself by expressing an opinion adverse to it.

Senator PLAYFORD.—I expressed a personal opinion, but that does not bind the Government.

Senator MILLEN.—I am speaking of the Minister in his representative capacity as the head of the Defence Department. I am complaining that he expressed an opinion adverse to the report before he had even had time to digest it.

Senator PLAYFORD.—It was complained a little while ago that I had had too much time to digest it, and that I had not expressed an opinion about it!

Senator MILLEN.—I am not going to clear up any inconsistency between what the Minister said and what Senator Pearce has alleged, but I am showing out of the Minister's own mouth that he stands convicted of expressing an opinion upon the report before he had had time to digest it. That indicates to my mind that the Minister is to some extent pledged. He has not kept an open mind which would enable him to act impartially and judicially in these matters. I am as anxious as any honorable senator to see all appointments to the Public Service and elsewhere given to Australians when there are no reasons to the contrary. But there is a danger before which some of my honorable friends opposite have fallen, that of allowing one's partiality for this principle to warp his sense of justice. If I understand the criticism with regard to affairs in Papua, honorable senators, in order to secure an appointment for an Australian, are prepared to sweep on one side the occupant of the office without inquiring whether justice or injustice would be done to him by that act. It is one thing for an honorable senator to say that he believes that Australians should be appointed to such positions; but even if we assent to that doctrine, as I do most cordially, it is quite another thing to say that without regard to the claim of the present occupants, they are all to be swept out of their offices. Apparently, that is what my honorable friends are prepared to do. Without even allowing Captain Barton an opportunity to state his case, if he has one, they simply on the ground that he is not an Australian, are prepared to sweep him out of his office.

Senator CROFT.—Oh, no! that is not the whole position.

Senator MILLEN.—I can only draw that inference from the remarks of my honorable friends. Not only are they blaming the Government for not pushing

Captain Barton on one side, and immediately making an Australian appointment, but according to the last speaker they have prejudged the case of that gentleman.

Senator CROFT.—I regard the Government as weak in not having made an appointment, and in leading us astray by appointing a Royal Commission. Why do they not appoint Captain Barton if they think that he is suitable?

Senator PLAYFORD.—There was a number of charges made against Captain Barton.

Senator MILLEN.—Senator Croft will not deny that, even this morning, we have heard a statement from which it is quite clear that some honorable senators are prepared to condemn, in fact, have condemned Captain Barton from beginning to end. It is one thing to support the doctrine of making all appointments from our own people, but it is quite another thing to press the doctrine to such a length that the occupant of an office who may not be an Australian should be pushed on one side without the slightest regard to those reasonable, moral requirements which should restrain even a private employer.

Senator FINDLEY.—Were not the Government prepared to put him on one side when they made overtures to Sir William McGregor?

Senator MILLEN.—For a very good reason. I do not suggest for a moment that Captain Barton has any pre-emptive right to the office. If there is one man in the world who stands out as particularly fitted for the position it is Sir William McGregor, and the Government in seeking the services of so experienced an Administrator did what I think was best in the interests of not merely Papua, but also Australia. Because it must be remembered that if any difficulty should arise in the Possession as the result of faulty administration Australia would, to some extent, be affected, and would possibly be called upon to suffer, even if only in a monetary sense. In view of the fact that these charges have been made with considerable frequency, and with much emphasis and warmth, I think it was not an unreasonable concession to Captain Barton that an inquiry should be granted, in order to ascertain whether they had any foundation. If it be found that there is a foundation for the statements, it

seems to me that he can have no cause of complaint if we dispense with his services.

Senator KEATING.—Suppose that after the charges had been made we had refused to grant the Royal Commission for which he asked, in what position should we be?

Senator HIGGS.—Is it proposed to appoint a Royal Commission at the request of every man who takes exception to what is said about him?

Senator MILLEN.—Are the honorable senators who made these charges afraid to have an inquiry into the truth of them? Do they claim the right to come here and slander every one towards whom, for some reason or other, they entertain a feeling of dislike, and then to resist a demand for an honest inquiry?

Senator PEARCE.—Surely the right to demand an inquiry existed when the Government contemplated appointing Sir William McGregor.

Senator MILLEN.—Certainly not. The question of appointing Sir William McGregor had nothing to do with charges derogatory to Captain Barton.

Senator PEARCE.—It meant the displacement of Captain Barton.

Senator MILLEN.—Exactly. There can be no objection to appointing a superior man over the head of a less qualified man. But the point we are dealing with is that charges, almost amounting to accusations of maladministration, have been made against Captain Barton.

Senator HIGGS.—They were made a year ago.

Senator MILLEN.—What my honorable friends ought to have done was to criticise the Government for not having appointed a Royal Commission before. What did they do? They are not criticising the Government for delaying the matter, but for making an inquiry at all.

Senator FINDLEY.—Because it is common rumour that the Commission is taking with them a consignment of brushes to do a lot of whitewashing.

Senator MILLEN.—A remark of that kind answers itself. I deplore the growing tendency on the part of some public men to repeat tittle tattle which is gathered at the street corners, and which, if they were placed on their oath, could not be substantiated. With the exception of the Chairman, I know nothing of the members of the Royal Commission; but I am prepared to believe from their public work and reputation, that they have gone to Papua absolutely unfettered in their judgment,

and that if any attempt had been made to place fetters upon them, they would have resented the attempt, and declined the appointment. In view of the charges which have been made here so frequently, I think that the Government have acted rightly in appointing the Commission. I would remind honorable senators that as regards any delay, the Government were hardly in a position to act until they had received a definite reply from Sir William McGregor. I hardly think it can be seriously contended that there has been undue delay since the Government were advised by Sir William McGregor that it was not possible for him to meet their wishes. I have spoken on this subject without the slightest knowledge of Captain Barton—I should not know him if I met him or any of the gentlemen who are involved. I have made these remarks because, it appears to me that, honorable senators, in their strong desire to give effect to a principle in which they and I believe, are allowing the ordinary elementary principles of justice to be entirely swept on one side or forgotten.

Senator DOBSON (Tasmania) [12.40]. I was very much surprised to hear three members of the Labour Party make an onslaught on the Minister of Defence. Judging by the intemperate language of Senator Pearce, I should think that we are coming to the parting of the ways, and that the Labour Party are going to leave the Government in the lurch. What is more astounding to me is that several honorable senators who have spoken, particularly about defence, have left out of their calculation the question of expense. It is really futile for honorable senators to talk about spending millions on defence, millions on a railway, and millions on a Federal Capital. I propose to bring the Minister back to his Estimates, and to ask him a very simple question in the direction of economy, which I think ought never to be lost sight of, and about which I think we shall yet hear a great deal, when the Government will be compelled to adopt a policy of retrenchment. I desire to ask the Minister whether it is necessary to provide on the Estimates for two additional associates and tipstiffs because it has been decided to appoint two additional Judges. He can answer my question when he speaks in reply.

Senator PLAYFORD.—I do not know, and therefore I cannot tell the honorable senator.

Senator DOBSON.—Perhaps the honorable senator had better consider the matter. He might also consider whether the five Justices should go to the various States—for instance, to hear two cases in Western Australia, and perhaps one case in Tasmania—and take with them five associates and five tipstiffs. Like other representatives of New South Wales, Senator Walker desires that the question of the Federal Capital Site should be settled without further delay. May I remind honorable senators, as I reminded the good people of Bungendore, that that question has been settled, and that it rests with those who desire to repeal our Act to make out a very strong case indeed? I hope that the Minister will not listen to the suggestion to repeal the Act during this session. I hope that within five weeks of the close of the session, and with more work to do than we could properly do in five months, he will not bring down another Bill which would provoke a protracted discussion. I have never heard of a more ridiculous suggestion than that at this late period of the session, when we still have so much work to do, we should be called upon to revoke our decision regarding the site of the Federal Capital. Before any step in that direction is taken we ought to have a business offer from New South Wales, telling us what she is prepared to do in regard to the area, means of access, and other matters. We ought not to listen to New South Wales if she deliberately submits three sites and withholds the very site that we have chosen.

Senator MILLEN.—Why did the honorable senator go and inspect other sites, then?

Senator DOBSON.—I desired to give consideration to the feeling which exists in New South Wales that her interests and privileges ought to be studied. If it be proved that her interests and privileges have not been considered in the selection of Dalgety, then at the proper time, and under proper conditions, and when I see that that State is prepared to bow down to the Constitution, I shall be quite willing to reconsider the position. I do not undertake to revoke my vote for Dalgety, or to indicate what I may do. If there is a just cause of complaint on the part of New South Wales, let us know where it lies, and let us have proposals which savour of statesmanship, and show regard to the fact that we are asked to fix upon a site

which is to serve us for centuries. I object to Parliament being asked to deal with this question *de novo* during the present session. I should not like the remarks of Senator Pearce to pass without stating the other side of the case. Whenever the question of establishing an Australian Navy has been raised here, I have pointed out that no one could fortell what the cost would be. I have warned honorable senators that when we had gone to enormous expense we should find that our ships and torpedo boats were out of date, and that we should have to incur the expenditure again. We ought to be extremely careful before we decide to adopt the naval scheme which Captain Creswell has suggested. I am borne out in this view by the Minister's interjection that since his return from England with fuller information Captain Creswell has admitted that his original estimate of nearly £3,000,000 would be considerably exceeded, and that, probably, in order to have a few torpedo boats and destroyers, and to maintain them efficiently, we should have to expend £500,000 or £600,000 a year for the next seven years. In the present state of affairs, the Commonwealth cannot afford to incur that expenditure. In my opinion, Senator Pearce's criticisms of the report of the Imperial Defence Committee are absolutely unjustifiable. In the report, I can hardly find a single sentence which can be fairly called in question. The Committee point out, as every writer on naval warfare has pointed out, that in time of war the great object is to find out the enemy's ships, and defeat them on the high seas. Surely that is the primary object! Senator Pearce objects to the Imperial Defence Committee telling us that it is of secondary importance that we should have a raider trying to interfere with our trade. Of course, that is of secondary importance. What is of infinite importance is the great battle, or battles, which must be fought in order to decide who shall be mistress of the seas. Again, in the report I find a paragraph which suggests the wisdom of delay, which points out that armaments are always changing, indicates how expensive it is to fortify our ports, and suggests that if we go slow with expenditure we shall have more money to expend hereafter when improvements in armaments have been made, and when we are able to say with more certainty what we want. I feel some sympathy with the Minister, because, as I have previously said, his Department is a most difficult one

to administer. If I were in his position I should not allow myself to be bullied by the Labour Party into formulating a system of defence before we appeal to our constituents. What proportion of the electors will care a dump about the question of defence, as compared with the *personnel* of the men for whom they are asked to vote? I cannot conceive that the Minister would be doing a wise thing if he attempted to formulate a complete military and naval policy for the Empire before we have the report of the Colonial Conference, which is to sit in London early next year.

Senator FLAYFORD.—I cannot bring forward a policy for the Empire.

Senator DOBSON.—No; but cannot my honorable friend see how the defence of every part of the Empire is mixed up with the defence of the Empire itself? Can he not see that, although Australian nationalism may be a very good thing in nine cases out of ten, yet when we are talking about the defence of the Empire there is something more important than that? I should say that one of the most important subjects to be discussed at the Conference of Premiers in London will be that of defence, together with the reports of the Imperial Defence Committee and the report of Captain Creswell. The authorities at Home are seized most fully of the Australian aspiration for a navy. They are familiar with the report of Captain Creswell and the scheme of Australian defence which the *Age* like many members of the Senate, has been suggesting, but, notwithstanding that, the Imperial Defence Committee have compiled this memorandum. I think that Senator Pearce's criticism of the memorandum is quite beside the mark, and that he has really misunderstood the whole subject. I hope that the Minister will not hurriedly formulate any scheme, because it is a most complicated subject to deal with. Colonel Bridges, who has gone Home about military matters, has not yet returned, and Captain Creswell has only just returned.

Senator PLAYFORD.—Colonel Bridges has sent out his reports.

Senator DOBSON.—The reports have only just been received, and I understand from the Minister that Captain Creswell's supplementary report is not yet to hand. At the end of a session every Minister is confronted with more work than he can possibly do, and therefore, in my opinion, it would be very unwise to rush the Minister of Defence into formulating a scheme

now, as my honorable friends opposite seem to want to do. I desire to quote, for the information of the Minister, a paragraph from the report, which bears on my favorite system of military education:—

At the same time it is necessary to extend opportunities of elementary military instruction in various forms to as large a proportion as possible of the population, with a view to rendering military training as universal as circumstances may for the time being permit.

I also wish to draw my honorable friend's attention to the opinion of Major-General Babington, the New Zealand Commandant, who is reported in this morning's *Argus* to have said that not every fifteenth, but every English-speaking boy, ought to be trained as a cadet. I am desirous of knowing whether the Minister has read the remarks of Brigadier-General Gordon, of New South Wales, as reported in the press about a week ago. As I understand, Brigadier-General Gordon picked out the weak spots in the scheme of the Minister of Defence, and it was that officer's criticism which induced me to submit the motion. The important object is not only to get hold of the boys when at school, but also after they leave school, so that they may receive some military training worthy of the name.

Senator PLAYFORD.—There are the senior cadets, the number of which could be increased afterwards. The honorable senator ought not to be in too violent a hurry.

Senator DOBSON.—I am now calling attention to Brigadier-General Gordon's criticism.

Senator PLAYFORD.—What do I care about General Gordon's criticism?

Senator DOBSON.—I presume the Minister of Defence will listen to the opinions of a military officer of great experience.

Senator PLAYFORD.—If I listened to all the military officers we should be bankrupt very quickly!

Senator DOBSON.—If the Minister listens to honorable senators who desire the establishment of an Australian Navy, we shall soon be bankrupt. There ought to be some adequate cadet scheme placed before the Senate.

Senator PLAYFORD.—The honorable senator has said all this before.

Senator DOBSON.—What I want to know is whether the Minister put this scheme before his officers, and, if so, did he get the opinion of Brigadier-General Gordon? I think it is fair criticism to

say that the Minister has submitted a scheme which I regard as very meagre.

The PRESIDENT.—Is the honorable senator not anticipating the debate on a motion on the notice-paper?

Senator DOBSON.—I surely have a right to ask the Minister whether he was aware of the opinion expressed by Brigadier-General Gordon. I do not want the Minister to answer me now, but to do so when he replies on the debate.

Senator PLAYFORD.—I am not going to waste time by anticipating the reply. I shall have to make on the motion which the honorable senator has brought before the Senate.

Senator DOBSON.—I ask the Minister to read Brigadier-General Gordon's remarks, and, if he will have the courtesy, to inform us whether he was aware of that officer's opinion.

Senator PLAYFORD.—If I asked the opinion of every officer in the service, I should have nothing else to do.

Senator DOBSON.—That is not an answer. I wished to know from the Minister whether he had the opinion of Brigadier-General Gordon, and that of the Military Board. If the Minister has not the courtesy to reply, I cannot help it.

Senator DE LARGIE (Western Australia) [12.55].—After the manner in which Senator Dobson has battered the Minister of Defence, it is only right that a member of the Labour Party should advise the Minister not to be bullied and hustled into a policy—of attempts at which Senator Dobson has before now accused the Labour Party. Senator Dobson has gone out of his way to try to “jump” the policy of the Minister of Defence. For my part, I do not think that any particular party is altogether to blame, but rather that we are all to blame for the absence of a proper defence policy. That has been very apparent from the commencement of our Federal career. No defence policy has been formulated by Parliament, and I suppose we shall muddle along from year to year spending money on defences that are far from satisfactory. I quite agree with Senator Pearce that, during the recess, we had every right to expect some definite declaration from the Minister. But the latter appears to have thrown aside all responsibility for the promise which was made last session. While I very much agree with the sentiments expressed by Captain Creswell in regard to an Australian Navy, I do not think that we are in a financial posi-

tion to carry out his scheme. Most Australians would be better satisfied with an Australian Navy than with the kind of naval defence we have at present; but the question is whether 4,000,000 people can afford a navy worthy of the name. In my opinion, we cannot afford to undertake such an enterprise; and, therefore, it would be a foolish policy to adopt Captain Creswell's scheme, only to afterwards find out that our finances were unable to bear the strain. I agree with Senator Dobson's idea of having an army composed of the manhood of Australia, because that, in my opinion, is the only policy within our reach. I do not mean that men should be only trained for land defence; they should be trained also for sea defence, because, although we have no vessels, and no money to buy vessels, these might be obtained when we require them. At all events, men trained on board ship are much more handy for any kind of defence than those who are simply drilled as soldiers. I should like to see Parliament set itself seriously to the task of settling on some national scheme of defence. We have been waiting in vain for some scheme from the Minister, but I am afraid that there is not much hope in this connexion, either now or in prospect. This is a matter which should stand high above all party feeling. Indeed, I do not know that it is regarded in the light of a party question; at any rate, it has never been so regarded in this Chamber. We have, therefore, a splendid opportunity; and if the Minister is capable of treating anything seriously, I hope he will turn his mind to the matter. In thus speaking of the Minister, I may be making too sweeping an assertion, though I know that he attends other meetings, the business of which he considers of much more importance than that attached to the position he holds in this Chamber. It is just about time that the Senate was treated in the manner in which it deserves to be treated. The Minister of Defence has had a very fair innings, and every kind of consideration extended to him; and what have we got in return? I am far from satisfied, and I appeal to the Minister to devote a little more attention to his office than he has done hitherto.

Sitting suspended from 1 to 2 p.m.

Senator PULSFORD (New South Wales) [2.0].—The repeated and savage attacks which have been made upon the Government to-day are enough to make

one's heart bleed. I am surprised to learn from the Minister that he intends to take those attacks lying down. In other words, he does not propose to reply to them. In this connexion, I am irresistibly reminded of the couplet in an old costermonger song, which reads—

If I had a donkey, what wouldn't go,
Wouldn't I wallop him, Oh! Oh! Oh!

That seems to be the attitude which has been taken up by some of the most pronounced supporters of the Government. I think it is undesirable that all this amount of flagellation should take place in public. It is really very unseemly. But I rose chiefly to make a few observations in reference to New Guinea. Everybody must have remarked upon the difficulty which is experienced in obtaining definite information from the Possession. Last session I strongly urged the Government to consider the advisability of immediately connecting New Guinea with the mainland by means of a system of wireless telegraphy. I am quite sure that if the centres of New Guinea, which are now settled, were in telegraphic communication with Sydney, a great deal of the trouble which is at present experienced would disappear. The Department of External Affairs would then be able to communicate with its officers upon many matters regarding which we have only uncertain information, and to obtain a reply from them within a few hours. Senator Higgs has spoken very disparagingly of the members of the Royal Commission which has been appointed to investigate the conditions obtaining in New Guinea. The chairman of that body, Colonel Kenneth Mackay, is well-known in Sydney, and I can certainly speak of him in every way as a gentleman. He is not a man who, either for love or money, could be induced to sign a report which was in any way at variance with the evidence placed before him. So far as he is concerned, the Senate may rest assured that the inquiry which is about to be conducted is in good hands. I am not acquainted with the other members of the Commission, and therefore can say nothing of their qualifications. But I have no hesitation in saying that honorable senators may rest satisfied that, so far as Colonel Mackay is concerned, justice will be done. Not only will he aim at achieving that result, but he has the mental equipment necessary to bring it about. There is just one other matter—a very small one—which I desire to mention. Some two or three

months ago a telegraphic chess match was played between the New South Wales and the Victorian Chess Associations. By arrangement with the authorities, the moves in the match were transmitted by wire from one capital to the other. But when a settlement came to be effected, the Victorian Association was charged only £2, whereas the New South Wales Association had to pay £8. The explanation of the discrepancy is that the messages transmitted from New South Wales were despatched as private messages, whilst those from Victoria were forwarded as press messages. I have already asked one or two questions upon this matter, but so far have been unable to obtain a satisfactory reply. It is quite evident that, if a mistake were made, and if as a result the New South Wales Association was overcharged, a refund ought to be made, so as to place the two associations upon an equality. I have been assured that prior to the match being played the New South Wales Association approached the representative of the Postmaster-General in Sydney, and endeavoured to arrange for the forwarding of the messages at press rates. Its application, however, was refused, and it had no alternative but to transmit them at private rates. While upon this subject, I cannot refrain from expressing regret that since the establishment of Federation, something in the nature of an anti-Federal spirit has been exhibited by Departments which formerly worked in harmony together. Prior to Federation, the Telegraphic Departments of New South Wales and Victoria were always willing upon any public holiday, when the wires were not being used to any appreciable extent, to allow the Chess Associations of those States to use them without any charge whatever, except a small fee to cover the time of the operator engaged at either end. In the light of these facts, it is very singular that since the advent of Federation no match has been played without occasioning a good deal of friction and trouble. I would point out that these contests directly contribute some revenue to the Department, inasmuch as the results of them are telegraphed to all the States. From that stand-point, I hold that the question should be viewed broadly. I am sorry that I have had occasion to speak upon such a very small matter, but I do so in the hope of securing an adjustment of the trouble to which I have referred.

Senator PLAYFORD (South Australia—Minister of Defence) [2.9].—In reply, I merely wish to say a few words concerning my own Department. I do not intend to answer the criticism of honorable senators upon other matters. Upon the most important one Senator Millen took up the cudgels on behalf of the Government. It is rather cheering to find a member of the Opposition supporting the Government after such a good friend of ours as Senator Pearce has worked himself up into a fury upon the question of defence, and has pitched into the Government in the way described by Senator Pulsford. The latter, however, misquoted the costermonger song, which I have always been taught should be rendered—

If I had a donkey and he wouldn't go,
Do you think I would wallop him? No!
No! No!

Senator CROFT.—When an attack on the Government causes the hearts of the Opposition to bleed, the Minister may be sure that he is not altogether in the right.

Senator PLAYFORD. — Perhaps so. None of us can hope to be always in the right. As to the criticism of our defence policy, it is noteworthy that no two honorable senators adopt the same line of argument. As a rule, their arguments are mutually destructive. On the one hand, we have Senator Dobson declaring that he believes in economy, whilst on the other, he tells us he considers that the number of cadets should be increased. That certainly would not mean economy—it would involve a considerable increase in expenditure. Then we come to Senator Clemons, who champions the cause of the Navy and of naval cadets. He declared that he would sooner see the Commonwealth relying for its defence on 20,000 naval men than upon the whole of our present Volunteer, Militia, and Permanent Forces. Senator Smith follows with a statement that what we have to do is to provide against invasion by securing an adequate land force, and that we have not gone far enough in that direction. Finally, we have Senator Pearce taking up the cudgels on behalf of Captain Creswell's proposal to establish a small Australian Navy.

Senator GUTHRIE.—Not a small navy; he urges that we should have a proper system of harbor defence.

Senator PLAYFORD. — Captain Creswell's scheme means something more than

that. He proposes a small navy which shall not necessarily be confined to harbor defence. Senator Pearce said in effect that I had promised to bring before Parliament this session a complete scheme of defence, that I had not fulfilled that promise, that apparently I had done nothing during the recess, that evidently I had been careless and indifferent, and that therefore I was deserving of a certain degree of censure. He then went on to criticise the report of the Imperial Council of Defence with regard to the naval defence of Australia. I am not here to take up the cudgels on behalf of that body, but in answer to the charge that I promised to bring before the Senate this session a complete system of defence, let me read from *Hansard* what I actually said—

As I have said, the task before me is a difficult one. I do not know whether I am capable of performing it; but I shall do my best. I hope that I shall be in a position before next session to bring a scheme of defence before my colleagues.

If honorable senators choose to consider that statement an absolute promise, they may do so. I admitted the difficulties of the position, and expressed the hope that I should be able to overcome them. I tried my best to do so, but the more closely I looked into the question, the more difficult the position became. It was considered by my colleagues, when I brought the matter before them, that we ought if possible to obtain the advice of the Imperial Council of Defence on this exceedingly important question. That prevented the settlement of the question before we had prepared our Estimates. When the scheme has been completed, it must be considered very carefully. We cannot say at a moment's notice that we ought to adopt this or that system. So far as the naval side of our defence is concerned, I have informed honorable senators privately, as I have informed the press, that personally I am favorable to the Naval Director's report with regard to the acquirement of torpedo boats and destroyers. We sent Captain Creswell to England in order that he might obtain full information as to what it would cost to give effect to his scheme—to ascertain the best type of vessels to procure, and also to inquire whether it would not be possible for us to construct them in the Commonwealth. The latter is a most important consideration. I believe that, as far as possible, we ought to construct in the Commonwealth the vessels we require.

Senator PEARCE.—The Department has practically reconstructed a torpedo boat here.

Senator PLAYFORD.—Certainly; but we have not all the plant necessary to undertake this work. Captain Creswell only returned recently, and I have now to consider the whole scheme. On one point I am still lacking information, which I need to secure before I shall be in a position to bring Captain Creswell's scheme before my colleagues.

Senator O'KEEFE.—Will not the Minister be powerless to take action, now that the Estimates have been framed?

Senator PLAYFORD.—We cannot take action this session. Is there any violent hurry?

Senator O'KEEFE.—I should say that there is.

Senator PLAYFORD.—Is an important question like this to be decided without proper consideration?

Senator O'KEEFE.—No.

Senator PLAYFORD.—Since the honorable senator takes that view, he will recognise that a delay of a week, or a month, or a year or so, is not a matter of vital concern.

Senator O'KEEFE.—Are we to wait a "year or so" without making a start?

Senator PLAYFORD.—We must thoroughly consider the scheme, and ascertain how it is likely to operate. One must be careful to bring before Parliament an intelligent scheme, which can be honestly recommended. I am inclined to favour Captain Creswell's proposals, and that fact makes me more anxious to carefully examine it before bringing it before my colleagues, and to thoroughly satisfy myself of its soundness, than I should be if I occupied a different position. What is his proposal? It is that we should have a certain number of torpedo boats and destroyers. What for? To drive the enemy's cruisers away from the entrance to our harbors, so that our shipping may be free to pass in and out without running the risk of being intercepted by the enemy. In the case of Port Adelaide, for instance, it is said that we need these torpedo boats and destroyers to keep foreign cruisers, in time of war, beyond Kangaroo Island—outside Spencer Gulf—to drive them out into the open ocean, where our commerce would have a chance of evading them. We come now to the question to which I am seeking an answer: Would the proposed tor-

pedo boats and destroyers accomplish that work? I have put the question, "Would it not be possible for a cruiser, with quick-firing guns, and with the assistance of her search-lights, to remain at night between Kangaroo Island and the mainland, and to ward off the attacks of torpedo boats and destroyers?" If that could be done, what would be the use of this fleet? If we cannot make sure that these cruisers would have at night to seek safety on the open ocean, what would be the use of our fleet of torpedo boats and destroyers? I have not yet had a satisfactory answer.

Senator PEARCE.—Has not the honorable senator read that the Japanese torpedo boats, in spite of the search-lights and guns of the enemy, succeeded in making their way into Port Arthur and destroying half the Russian Fleet?

Senator PLAYFORD.—They never destroyed half the Russian Fleet. At the outset they took the Russians by surprise, but after that they never had a show. I must satisfy myself—and I am not absolutely satisfied—that these torpedo boats and destroyers would accomplish what Captain Creswell says they ought to accomplish. I have not obtained an absolutely satisfactory answer, but I am making inquiries, and hope in a short time to obtain one. I believe that within a month I shall be able to lay before my colleagues a scheme of defence to be dealt with by them as they think fit. That is all I can do. I can submit a scheme to my colleagues, but I cannot say whether they will adopt it. I have done my best, and it is my duty, as representing the Government, to be exceedingly careful before proposing an expenditure of millions of money. I must be perfectly satisfied in my own mind that the fleet which it is proposed to bring into existence will be able to do what its supporters claim for it.

Senator GUTHRIE.—Will Parliament discuss the scheme this session?

Senator PLAYFORD.—The chances are that it will not, but the matter will be placed before the country.

Senator CLEMONS.—When did the honorable gentleman get Captain Creswell's report?

Senator PLAYFORD.—A little before I delivered my speech on the Budget last year.

Senator CLEMONS.—Then the honorable gentleman has had it for more than a year.

Senator PLAYFORD.—Yes; but in the interval the scheme has been under the consideration of the Imperial Defence Committee, and now that that body's recommendations have been received, I must satisfy myself in regard to the various points involved. It is my duty to do this, so that my personal inclination may not lead me into error. I did not make any definite promise. All I said was that I hoped to be able to do a certain thing, and should exert myself to that end. I have met with many difficulties. A large number of schemes of defence have been suggested by honorable senators; indeed, the whole subject has been discussed here so fluently that one might imagine that we are an assembly of admirals, generals, and other high authorities, possessing expert knowledge on the subject of defence. It must be remembered that I must deal with this matter as a whole. I cannot have regard to any one branch of the Defence Force alone.

Senator MCGREGOR.—Does the honorable gentleman object to honorable senators expressing such opinions as they hold?

Senator PLAYFORD.—No; though those opinions have been expressed rather dogmatically.

Senator O'KEEFE.—Why are reports laid before the Senate if we are not to discuss them?

Senator PLAYFORD.—Honorable senators may discuss them to their heart's content. I merely mention that a large number of schemes have been put forward, many of them mutually destructive, to explain the difficulty of my position.

Senator O'KEEFE.—The honorable senator is the arbiter.

Senator PLAYFORD.—I must put my proposals before the Ministry.

Senator CLEMONS.—The honorable senator has had a long time in which to do so.

Senator PLAYFORD.—The time has not been too long for a proper consideration of the matter. Indeed, the subject is one for the constituencies as much as for Parliament, since it is the people who will have to find the money. If the proposals of the Government receive the support of the majority returned after the next election, no great harm will have been done by delay. It is better to lose a little time than to adopt, without due consideration, a scheme which may turn out to be a failure.

Question resolved in the affirmative.

Bill read a first time.

Motion (by Senator PLAYFORD) proposed—

That so much of the Standing Orders be suspended as would prevent the Bill passing through all its stages without delay.

Senator MCGREGOR (South Australia) [2.25].—I do not think that the members of the Labour Party have been fairly treated by the Minister. Because he has had an expression of sympathy from a member of the Opposition, he tells us that he does not care much about our support.

Senator PLAYFORD.—I did not say that.

Senator MCGREGOR.—That is what the honorable senator's words meant. When he wishes to dish the Opposition, he appeals to the Labour Party; and when he wishes to dish the Labour Party, he appeals to the Opposition. We are not going to stand that any longer. I call attention to the state of the Senate.

The PRESIDENT.—I would remind honorable senators that standing order 56 provides that—

When the attention of the President, or of the Chairman of Committees, has been called to the fact that there is not a quorum of senators present, no senator shall leave the Chamber until the Senate has been counted by the President.

As several honorable senators have left the Chamber since attention was called to the state of the Senate, I desire the Usher of the Black Rod to ask them to return. [*Quorum formed.*]

Question resolved in the affirmative.

Senator PLAYFORD (South Australia —Minister of Defence) [2.28].—I move—

That the Bill be now read a second time.

The Bill grants Supply for a period of two months. The sum of £748,363 is being asked for. On the last occasion we got Supply for one month, the sum then voted being £459,064, making £1,207,427 for the quarter. After deducting special appropriations, the Estimates for the year provide for the expenditure of £4,434,431, of which one-fourth is £1,108,608. We are therefore asking for a little in excess of an average quarter's appropriation; but we have to do so because of specially large expenditure in connexion with ocean mail contracts, which must be incurred this quarter. The amount voted in this Bill will not exceed the amounts set out in the Estimates for the various services of the Government.

Senator CLEMONS.—I call attention to the state of the Senate.

Senate counted.

Senator PLAYFORD.—Will the names of those present be recorded?

The PRESIDENT.—I presume so.

The President adjourned the Senate at 2.30 p.m.

House of Representatives.

Friday, 24 August, 1906.

Mr. SPEAKER took the chair at 10.30 a.m., and read prayers.

INSPECTOR-GENERAL OF MILITARY FORCES.

Mr. JOHNSON (for Mr. REID) asked the Minister representing the Minister of Defence—

Have the Government, in their selection of an officer for the chief position in the Military Forces, been assisted by any expert military advice?

Mr. EWING.—The answer to the right honorable member's question is as follows:—

In the opinion of the Government, the officer elected to fill the position of Inspector-General of the Commonwealth Military Forces possesses the necessary military qualifications and experience. In making the selection, the Government have been assisted by the recorded opinions of officers of high military rank in the British Army.

COMMONWEALTH ARBITRATION COURT.

Mr. KELLY asked the Attorney-General, *upon notice*—

When will the necessary action be taken to secure the hearing of business long pending in the Commonwealth Arbitration Court?

Mr. ISAACS.—The answer to the honorable member's question is—

Official business will require my presence in Sydney early next week, and I shall then take the opportunity of consulting His Honor the Chief Justice and the President of the Arbitration Court on the matter.

ELECTORAL ROLLS.

Mr. KING O'MALLEY asked the Minister of Home Affairs, *upon notice*—

In view of the fact that the franchise is practically identical in New South Wales, South Australia, Tasmania, Western Australia, and Queensland with that of the Commonwealth, is there not any possibility of utilizing the one roll for both State and Commonwealth purposes, and thereby save the Commonwealth thousands of pounds annually?

Mr. GROOM.—The answer to the honorable member's question is as follows:—

The Conference of Commonwealth and State Electoral Officers, which met in Melbourne in April last, reported that the constitution of a joint roll generally for both Commonwealth and State purposes is both practicable and desirable in the interests of administration and economy, but, owing to the very large number of fine distinctions which would be necessary therein, under existing conditions, it would be more profitable to defer the preparation of such a roll until the several Governments have determined how far they may deem it expedient, by means of amending legislation, to obviate the necessity for these distinctions.

The necessity for joint action, as between the Commonwealth and the States in connexion with electoral matters, is being kept constantly in view.

The Commonwealth, in its amended legislation, has provided for the use of the joint roll when desired, and it now remains for the State Governments to take similar action.

CLERKS: GENERAL POST OFFICE, SYDNEY.

Mr. AUSTIN CHAPMAN. — On the 15th August, the honorable and learned member for West Sydney asked the following questions, to which an interim reply was furnished:—

1. What was the number of clerks in the General Post Office, Sydney, prior to the inauguration of the Commonwealth?
2. What is the present number?
3. How many clerical positions have been abolished since the transfer of this Department to the Commonwealth?
4. How many positions are there on the clerical staff at present unfilled?
5. In view of the large increase in the clerical work in the General Post Office, Sydney, since Federation, does he consider that this reduction was justifiable?
6. Considering the amount of overtime which the clerks are compelled to work at the office mentioned, will he take immediate steps to fill existing vacancies, and to augment the clerical staff, so that this overworking may cease.

The answers are as follow:—

1. 194, excluding 48 clerks employed in the Government Savings Bank and not taken over by the Commonwealth.
2. 228, including 40 officers who were clerks prior to classification, but who now hold general division designations, and still possess clerical status.
3. 23; 15 on the recommendation of the Deputy Postmaster-General; 3 marked as unnecessary in the classification; 2 unfilled prior to classification and omitted therefrom; 3 consequent on transfers to general office prior to Commissioner's appointment.
4. Nine.
5. It will be seen from reply to question 3 that, in the majority of cases, the positions were abolished on the recommendation of the Deputy Postmaster-General, who considered it unnecessary to fill same, and in other cases at the

after an inspection and examination by his inspector, into the work of the General Post Office, Sydney.

6. The Public Service Commissioner has recently intimated that so soon as the approved proposals for the amalgamation of certain branches in the General Post Office, Sydney, now in course of arrangement, are given effect to, some of the present positions will become unnecessary, and there will be a superfluity of officers. Under these circumstances it is not deemed necessary to augment the clerical staff.

EXCISE TARIFF BILL.

SECOND READING.

Motion (by Mr. DEAKIN) proposed—

That the Bill be now read a second time.

Mr. KELLY (Wentworth) [10.36].—It is to be regretted that the Minister of Trade and Customs, whose Department this measure concerns, is not here to take charge of it.

Mr. DEAKIN.—The Minister will be here presently. The Bill is a purely formal one.

Mr. KELLY.—I do not wish to oppose it, but I am sorry that the Minister is not here to take charge of it. It might very well be postponed until he arrives.

Mr. PAGE.—If the honorable member is so desirous of the company of the Minister of Trade and Customs, why does he not travel about with him? No doubt the Minister would be glad to have him.

Mr. WATSON (Bland) [10.37].—The Tariff Commission, I understand, recommended an allowance for under-proof in the case of spirits imported in bulk. That recommendation might well be taken into consideration when the Spirits Bill is being dealt with.

Mr. DEAKIN.—Hear, hear.

Question resolved in the affirmative.

Bill read a second time, and reported without amendment; report adopted.

Standing Orders suspended, and Bill read a third time.

BOUNTIES BILL.

In Committee (Consideration resumed from 3rd August, *vide* page 2367):—

Clause 2—

There shall be payable out of the Consolidated Revenue Fund, which is hereby appropriated accordingly, the sum of Fifty thousand pounds per annum during the period of ten years commencing on the first day of July, One thousand nine hundred and six, for the payment of bounties on the production of the goods specified in the Schedule.

by way of amendment—

That the word "Fifty" be left out, with a view to insert in lieu thereof the words "Five hundred," and that the words "per annum" be left out.

Mr. JOHNSON (Lang) [10.41].—I have again to enter my protest against the absence of the Minister of Trade and Customs. Whenever this session there has been business before us in regard to which he should have been here to direct our deliberations, he has been away, and we have had to rely upon other Ministers, who cannot be supposed to be as conversant with the details affecting proposed legislation as should the Ministerial head of the particular Department which it chiefly concerns. Immediately after business relating to the Customs Department has been submitted to us this session by the Minister, he has on several occasions run away and flouted the House.

The CHAIRMAN. — The honorable member must not refer to the conduct of the Minister in regard to other Bills.

Mr. JOHNSON.—I am merely making incidental reference in order to show that his absences are not accidental, but are his constant practice. They are so frequent as to call for remark, having become almost chronic. We are entitled to the benefit of his information in regard to this measure. For my own part, I see no reason why £500,000 should be appropriated for the payment of bounties on the production of cocoa, coffee, chicory, cotton, fibres, fish, milk, oils, rice, rubber, kapok, and such other miscellaneous goods as may be prescribed.

Mr. THOMAS.—No bounty is proposed for the encouragement of the poultry industry.

Mr. JOHNSON.—That is not the only industry which is left out. Why should invidious distinctions be made between one class of produce and another? To my mind, the Bill is merely an electioneering dodge, and is tantamount to, and intended as, a bribe to secure votes for the Government from the agricultural interests in certain districts. There is no urgency for a measure of this kind. What excuse is advanced for proposing a bounty for the production of chicory, for example? The fact that this measure has been sprung upon the House upon the eve of a general election justifies the impression that it has been introduced for electioneering purposes. We are asked to vote a

large sum of money—a cool half a million—in the face of the prediction of the Treasurer that next year our revenue will probably be reduced. In view of the increasing obligations which are being assumed by the Commonwealth, and of the large amount of revenue which it is proposed to sacrifice under the Treasurer's proposal for penny postage alone, it seems madness to practically throw away £500,000 in the manner proposed. It has not been shown that we should derive any advantage from the proposed expenditure. In any case, the principle underlying the measure is unsound. I have always held that it is improper to tax the whole community for the benefit of a few individuals. It may be admitted that when it is considered desirable to encourage private enterprise by extending State aid, it is better to do so by means of bonuses than by imposing protective duties, because when bonuses are granted the public know exactly how much they are paying, whereas when protective duties are imposed they can form no conception of the extent to which they are being fleeced. Moreover, bonuses are generally granted for a limited period, although experience shows us that almost invariably a demand is made for the extension of the period, and often for an increase of the bonus. It is always pleaded, after an industry has been stimulated by means of a bonus, that it would not be fair to permit it to collapse. This plea generally excites a large amount of sympathy, especially amongst those who believe that the community can be made rich by taking money out of one pocket, and putting it into the other. The result is that very often the Legislature finds itself compelled to continue *ad infinitum* bonuses which it was originally intended to grant for only a limited period.

Mr. PAGE.—It seems to me that the honorable member's second reading speech is going on *ad infinitum*.

Mr. JOHNSON.—The honorable member will also have an opportunity to speak if he so desires. I judge that I am expressing his views as well as my own.

Mr. PAGE.—I cannot say a word—the honorable member is saying all that I want to say.

Mr. JOHNSON.—Then there will be no necessity for the honorable member to speak. I am pleased to know that at least one honorable member on the Government

benches shares my views upon this question. In order to arrive at something approaching finality, in regard to the payment of bonuses, it has been the practice, at the end of the period originally fixed, to yield to the inevitable demand for a continuance of the bonus beyond the period originally fixed, and to adopt a sliding scale for a further fixed term. But before the expiration of the renewed term, a demand is invariably made for the imposition of protective duties. After large sums of money have been paid directly out of the pockets of the taxpayers in order to establish an industry, first of all, upon the supposition that it would prove advantageous to the whole community, and, secondly, in the belief that at the end of the bonus period it would be able to get along without assistance, it is found that, owing, perhaps, to the fact that it is not natural to the country, and perhaps to other causes, it must die unless further assistance is granted. When an application is made for the imposition of protective duties, those who approved of the bonus in the belief that nothing more was to be asked for are looked upon as inconsistent if they allow the industry to perish for want of a little further assistance. And thus, before granting bonuses, the greatest care should be exercised. I hold that, under certain circumstances, bonuses are justifiable. For example, it might be shown that if certain works were established, the interests of the community as a whole would be promoted. It might be justifiable to grant a bonus in order to secure the establishment of an industry that would assist us in connexion with our defences, or serve some other great and important national purpose, and which it would be more beneficial to establish by private enterprise, assisted by a bounty, than as a direct Government industrial concern. None of the industries referred to in the schedule can, however, be regarded as coming within that category. The money now proposed to be spent upon bonuses might be more justifiably devoted to promoting technical education, and the establishment of agricultural colleges, and, perhaps, a Commonwealth Department of Agriculture, to work in conjunction with the States Departments. The honorable member for Echuca delivered a very able address to the House, in which he expressed and elaborated similar views. If the practice of granting

public money to assist private enterprise is justifiable at all, it should be distributed in such a way that the community, as a whole, and not a particular section, should reap the benefit of it. The entire community would certainly benefit by any advance which was made in the dissemination of scientific knowledge relating to rural industries, which are the backbone of the country. There would be infinitely less objection to the expenditure of public money in that direction than there is to its disbursement under the method proposed by the Government. Reference has been made to the fact that the right honorable member for East Sydney has approved of this system of bounties. But I would remind the Committee that he spoke merely for himself, and the fact that he may approve of the granting of bonuses does not necessarily commit his supporters to the proposal now before the Committee.

The TEMPORARY CHAIRMAN (Mr. MAUGER).—I would remind the honorable member that the proposal before the Chair is to strike out the word "fifty," with a view to insert in lieu thereof the words "five hundred." That proposal does not involve the consideration of the whole question of the payment of bounties. The honorable member must not make a second-reading speech.

Mr. JOHNSON.—The question, as I understood it to be stated by the Chairman, was "that the clause be agreed to."

The TEMPORARY CHAIRMAN.—No. The question before the Chair is whether the words "five hundred" shall be substituted for the word "fifty."

Mr. JOHNSON.—I am dealing with the principle which is involved, irrespective of whether the amount proposed to be expended is large or small. In conclusion, I repeat that this money could be much more justifiably spent in the direction I have indicated. But, in any case, I do not propose to intrust the Minister of Trade and Customs, or the present Government, with the disbursement of an immense sum of money just on the eve of a general election, much less to give them a blank cheque, as is now proposed.

Mr. POYNTON (Grey) [11.5].—Do I understand that the proposition before the Committee is one to increase the total amount of the bounties payable under this clause from £50,000 to £500,000?

The TEMPORARY CHAIRMAN.—Yes.

Mr. POYNTON.—Who submitted that proposal?

Mr. JOSEPH COOK.—The Minister of Trade and Customs.

Mr. POYNTON.—The proposal embodied in the Bill is for the payment of £50,000 a year for a period of ten years.

Mr. EWING.—The Minister of Trade and Customs has moved to set aside £500,000 for the payment of bounties during that period.

Mr. WATSON.—We cannot risk the finances in that way.

Mr. POYNTON.—It seems to be a growing practice for a Minister to throw a Bill upon the table, and to leave honorable members to worry it in the absence of proper information.

Mr. JOSEPH COOK.—That has been the practice for two years. Is the honorable member only just waking up to it?

Mr. WATSON.—I knew a Ministry which did it ten years ago.

Mr. POYNTON.—The practice has been very much in evidence during the current session, and, although I do not hold the Opposition entirely responsible for it, I do not regard them as absolutely blameless. It is well known that whilst their leader and his principal henchman are galivanting about the country there is a great temptation to the Government to look after their own interests. The practice, however, is a very reprehensible one. When this Bill was introduced it was known that many honorable members entertained strong objection to it, because they feared that the bounties would not benefit those whom the measure was intended to assist. Whilst the Minister of Trade and Customs was making his second-reading speech he was met with a shower of interjections in that connexion. He then intimated that some provision would be made to overcome the difficulty. To-day we have the announcement—without any explanation whatever—that it is proposed to increase the amount of the bounties to £500,000.

Mr. EWING.—The gross amount is not to be increased.

Mr. DEAKIN.—Oh, no.

Mr. McCOLL.—I presume that there will be consequential amendments introduced by the Government.

Mr. DEAKIN.—Oh, yes. The position will be made perfectly clear.

Mr. POYNTON.—It ought to be made absolutely clear. I am aware that the honorable member for Echuca has given notice of an amendment with a view to regulating the payment of these bounties.

Mr. JOSEPH COOK.—I call attention to the absence of a quorum. It seems to me that the argument of the honorable member for Grey ought to be heard by his colleagues. [*Quorum formed.*]

Mr. POYNTON.—The inquiry conducted by the Butter Commission in Victoria conclusively proved that only a very small percentage of the butter bonus actually found its way into the pockets of the primary producers. Under this Bill we have no guarantee that that section of the community will receive a single penny of the bounties. The Minister led the House to believe that in Committee he would make provision for protecting the interests of the primary producer.

Mr. EWING.—That will be done.

Mr. POYNTON.—It has not been done yet. Take the olive oil industry. I understand that the price paid for 1 cwt. of olives is 6s. But it does not follow that every grower of olives manufactures his own oil. The cost of picking 1 cwt. of olives is 2s. 6d., but the oil which can be extracted from them—about 2 gallons—is worth 16s. Unless some radical alteration be made in the Bill the manufacturer of the oil will get every penny of the bounty. I prefer the bounty system to the imposition of Customs duties, since under it we are able to ascertain exactly what we are paying to encourage any industry, and may limit the period during which the payments shall be made; but we ought to be careful that the primary producer shall secure that proportion of the benefit to which he is entitled. I do not think that under this Bill the man who grows coffee beans will receive any part of the bounty to be given for the production of coffee, nor do I know whether the grower of cotton will receive any proportion of the cotton bounty.

Mr. EWING.—The honorable member for Echuca has given notice of an amendment to meet that objection, and we might perhaps put it into an acceptable form.

Mr. POYNTON.—I have already referred to that amendment. My complaint is that no member of the Ministry has yet explained how many of the objections raised during the second-reading debate are to be met. I trust, however, that the

Minister will explain the intentions of the Government. I am satisfied that the desire of the Committee is that the bounties shall go to the primary producers.

Mr. EWING.—Any proposal in that direction will be favorably received.

Mr. POYNTON.—We do not desire a repetition of the experience of Victoria in regard to the butter bounty. Our desire is that the primary producers shall at all events derive some of the advantages of the bounty system. The Minister of Trade and Customs said that they would be benefited by receiving an increased price for their products, but we know that that was not the experience of the farmers of Victoria under the butter bonus system. I do not think it is the intention of the Committee that the primary producers shall be at the mercy of the buyers of their products. We shall, however, have another opportunity to deal with that phase of the question when the amendment foreshadowed by the honorable member for Echuca is submitted.

Mr. MCCOLL (Echuca) [11.18].—Some valuable points have been raised by the honorable member for Grey, but I think that they may be more appropriately discussed when another clause is under consideration. I would draw attention to the scanty information put before honorable members in regard to this important measure. Under it, we propose the first step taken by this Parliament for the direct assistance of agriculture. It is an important step, involving a large expenditure, and we should be careful how we proceed. In introducing the measure the Minister of Trade and Customs seemed to be in a state of mental confusion. He was unable to give specific answers to various questions that were put to him; but said that everything would be put right by-and-by. Before passing the Bill, however, we ought to know by what Department it will be administered, and whether those controlling it will be, from the outset, in touch with the growers and producers. Is that to be the position, or is the authority to be exercised only when the product is supplied in its manufactured state, and the bounty is being claimed? We wish to know who are to be the inspectors, and whether there is to be an attempt to educate the farmers, whom we seek to encourage to grow these new products. We should take care that the primary producer

is fairly treated, and that he shall receive his fair proportion of these bounties. The Bill is simply a skeleton measure—the body of it, so to speak, will be provided by regulations. Before we agree to this large expenditure, we should have some indication of what those regulations are likely to be. I have not risen with any desire to oppose the Bill. Although I should like to see it amended in several respects, I am in accord with the principle that encouragement should be given to the raising of new products; but think that we should have full information as to the way in which this encouragement is to be given. Is the Commonwealth to act alone, or in conjunction with the States? Are the farmers to be educated in the cultivation of these new products, or is a go-as-you-please policy to be pursued? I sympathize with the Minister now in charge of the Bill, since he has, doubtless, been called upon at short notice to take it up; but I am sure that the Committee and the country will be very grateful for any information he may give as to the intentions of the Government regarding the points I have named.

Mr. DUGALD THOMSON (North Sydney) [11.22].—The honorable member for Grev made the extraordinary charge that the Opposition was responsible for the absence of the Minister of Trade and Customs.

Mr. JOSEPH COOK.—I certainly think that one honorable member of the Opposition is.

Mr. DUGALD THOMSON.—He also alluded to the absence of individual members of the Opposition. Might I point out that an honorable member, who is not in office, is responsible only to his constituents for his absence from the Chamber, but that the position with regard to a Minister is different? A Minister is one of the Executive of Parliament; his appointment has been approved by Parliament, and he is responsible to it for the proper discharge of the duties of his office. That being so, I hold that a Minister flouts Parliament when, owing not to accident or misfortune, or to causes for which he cannot be held responsible, he absents himself from the House, not once or twice, but many times whilst Bills relating to his Department are under consideration.

Mr. WATSON.—Why not have a special debate on that question, instead of referring to it day after day?

Mr. McCOLL.—Is the honorable member for Bland defending the absence of the Minister of Trade and Customs?

Mr. WATSON.—No; I suppose that he is able to defend himself.

Mr. DUGALD THOMSON.—I am replying to the accusation of an honorable member of the Labour Party that the Opposition are responsible for the absence of the Minister.

Mr. JOSEPH COOK.—And an honorable member of the Labour Party being absent, as usual, did not hear that accusation.

Mr. WATSON.—That is not correct. I have been here nearly every day this session, worse luck, having regard to some of the speeches to which I have had to listen.

Mr. DUGALD THOMSON.—The Executive is responsible to Parliament, and we have a right to expect Ministers to be in attendance—except when their absence is unavoidable—when Bills relating to their Department are under consideration, so that we may have that information which can be given only by them.

Mr. POYNTON.—If the leader of the Labour Party were acting as the leader of the Opposition is doing—touring the States and going into various electorates—would the honorable member commend his action?

Mr. DUGALD THOMSON.—I should offer no objection to it. I think that the Minister of Trade and Customs is flouting the House by his repeated absence when Bills relating to his Department are under consideration. I never knew such a course to be so persistently followed. Time after time the Minister is absent when a measure that he has introduced has reached a most important stage, and we are thus unable to secure the information to which we are entitled. The honorable gentleman intended that there should be no annual limitation as to the expenditure of the total sum of £500,000 for which provision is made in this Bill. His proposal was that the limitation as to the expenditure of not more than £50,000 per annum should be struck out, so that the Minister should be empowered to expend, if he thought fit, the total sum in the first year of the operation of the Bill.

Mr. EWING.—I do not think that he asked for such a power as that.

Mr. DUGALD THOMSON.—Shortly before progress was reported on the occasion when the Bill was last under consideration, I asked if there was to be any limitation.

Mr. EWING.—The Minister said on that occasion that the expenditure would be governed by the schedule.

Mr. DUGALD THOMSON.—But he also said that he was going to amend the schedule.

Mr. WATSON.—If power were given to spend the full amount in one year, a reckless Minister might wreck the finances.

Mr. DUGALD THOMSON.—I do not think Parliament will vest in the Minister such extraordinary power. There must be a limitation to the amount of the annual payment. As has been pointed out by the honorable member for Echuca, and the honorable member for Grey, the Minister promised, by way of interjection, that amendments would be proposed that would secure the payment of the bounties to the proper persons. Then, again, the Minister stated that he was going to amend the schedule by varying the amounts proposed to be paid, and I think he also said that he might add some other items to it. Three weeks have elapsed since the Bill was last under consideration, but no amendments in the direction indicated have been circulated by the Minister, and no additional information has been placed before honorable members. If we are to carry on business, we should conduct it in a better manner. There is good reason for complaint. I have no wish to be captious in my criticism of Ministers. We have often to extend consideration to them, and I do not generally find fault from a purely party stand-point with their actions. I am not doing so now; but I do say that the Committee are entitled to more consideration than they have received. I shall be greatly surprised if the Committee agrees to give the Minister a free hand to deal with the total expenditure of £500,000 without any limitation as to the amount which shall be spent during any one year. If we do so, what responsibilities may we not have to undertake? The Minister, having a free hand, might expend—I will not say the whole amount in one year, because that would be an extreme case, but £200,000 or £300,000.

Mr. POYNTON.—He could expend the whole amount.

Mr. McCOLL.—The present Minister could, certainly.

Mr. DUGALD THOMSON.—He could expend the whole amount. But if he expended only £200,000 the position would be serious, because the expenditure would

have to be continued in following years, since a bounty for one year only would be productive of no good result. Parliament would have no good answer to growers, who had been encouraged to invest capital in certain productions, if it arbitrarily stopped a bounty after a year or two because the payments were too large. This is a situation which should not be allowed to arise. There should be a limitation. Only a reasonable sum should be allowed to be expended annually.

Mr. McCOLL.— Make the limit £100,000.

Mr. DUGALD THOMSON.—I see that some elasticity may be necessary, and am therefore prepared to add to the clause a provision to the effect that not more than £75,000 shall be paid in bounties in any one year. Elasticity may be needed, because all the bounties will not be applied for at once, and when application is made it may be necessary to expend a little more than £50,000 in some particular year. I do not think honorable members are prepared to allow the Minister to pay away the whole amount at any period that he may think fit. It would be ridiculous to do so, and might lead to Parliament being morally committed to liabilities of which we cannot estimate the extent. Furthermore, the Minister should at the earliest moment give us information in regard to the intentions of the Government in reference to the Bill. We are entitled to know beforehand what amendments are to be moved, so that we shall not have to consider them on the spur of the moment.

Mr. McLEAN (Gippsland) [11.35].—I do not wish to be hard upon the Minister, particularly if, as the honorable member for Maranoa has expressed it, "another bloke is on the job"; but he should not be absent when a measure so important as this is under consideration. It is possible to spend money on bounties in such a way that the expenditure will prove a great boon to the Commonwealth, while it is also possible to absolutely waste it, and to cause disappointment and loss to those who have been induced to enter into certain industries. If any measure has been submitted this session in regard to which we should have full information it is the Bill with which we are now dealing. The success of the proposed expenditure will depend entirely upon the scheme adopted for the distribution of the money which we are asked to vote. We should know what machinery

will be employed for carrying into effect the intentions of the Government, what supervision will be provided for, and have other information of a like description. I presume that the Minister now in charge of the measure has not furnished us with this information because he is not in a position to do so, and I therefore suggest that the further consideration of the Bill be postponed until the Minister of Trade and Customs returns. It is treating Parliament with contempt, and likely to lower the institution in the estimation of the people, to ask us to blindly vote £500,000 for bounties without giving us the slightest information as to how the money is to be spent, or the conditions which will be imposed. We do not know whether the expenditure is to be supervised by a Commonwealth Department, or whether an arrangement is to be made with the States in regard to the matter.

Mr. WATSON.—Many details must necessarily be left to regulation.

Mr. McLEAN.—Yes; but we have not even a skeleton scheme before us. I have not been unduly critical of Government proposals, and have supported such as I considered justifiable; but I take so much interest in this matter, recognising its importance, that I cannot countenance the folly of voting money in the dark. It is due, not only to Parliament, but to the people who will have to provide the necessary funds, that an outline, at least, of the scheme under which the expenditure will take place shall be given to us.

Mr. BAMFORD (Herbert) [11.38]. — What has fallen from the honorable member for North Sydney is well worth the consideration of the Committee, though he takes a rather extreme view when he says that the whole amount may be spent in one year.

Mr. McLEAN.—It could be so spent if the amendment were agreed to.

Mr. BAMFORD.—Yes; and for that reason I shall vote against the amendment. I fear that it may happen that for several years no bounties will be given, and the whole amount may be distributed over, perhaps, the last five years of a decade. There are several industries which could be benefited by immediate expenditure — the production of coffee, cotton, condensed and powdered milk, oils, and rice, for example.

Mr. FISHER.—And the production of sisal hemp.

Mr. LONSDALE.—The honorable member wishes us to make a gift to a number of other Queensland industries such as we have made to the Queensland sugar industry.

Mr. BAMFORD.—I have never done the honorable member the honour to interject when he was speaking, and I trust that he will not interrupt my remarks. In my opinion, the amount provided for annual expenditure on bounties is rather small, and I should like to see it doubled. Other countries have established and brought industries to perfection by the granting of bounties, and I see no reason why we should not do the same. It would be dangerous, however, to empower the Minister to spend £500,000 in one year, because such a provision might do a great deal of harm. With reference to the suggestion of the honorable member for Lang, that instructors should be appointed and agricultural colleges established to train persons in the best methods of carrying on the industries which we wish to encourage, I would point out, in the first place, that there are already agricultural colleges and experimental farms under the control of the States, and, in any case, it would take some considerable time to impart the instruction of which he speaks, whereas there are many men who already possess experience and knowledge which would enable them to at once enter upon the cultivation of certain products, if bounties were offered to them.

Mr. JOSEPH COOK (Parramatta) [11.43].—I indorse to the full the criticisms which have been levelled against the Minister of Trade and Customs because of his absence. I have seen nothing more shameless in my parliamentary experience than his conduct in reference to the business brought before us, and I marvel that honorable members tolerate it. Unfortunately, they have been in an entirely casual mood of late, if not during the whole session.

Mr. PAGE.—The honorable member is to blame, because of the way in which he continually lectures us.

Mr. JOSEPH COOK.—The honorable member for Maranoa is guilty of tedious repetition in repeating what the honorable member for Grey has already said. One cannot but be surprised at the marvellous difference which a change of position makes in the opinions of some honorable members. Three years ago, when the honorable member for Grey was sitting

only a few yards from where he now sits, but on the Opposition side, he fulminated against the Minister until his face was flecked with foam, and now he occupies his time in defending him.

Mr. BAMFORD.—Is it in order for the honorable member to admonish the honorable member for Grey for what he did some years ago, seeing that a definite amendment is before the Committee?

The CHAIRMAN.—It is not in order.

Mr. JOSEPH COOK.—I am merely replying to criticisms passed upon me by the honorable member for Grey, a course which is usually permitted by those who are actuated by the spirit of fair play, which honorable members opposite are not. No member in this House has criticised the Minister of Trade and Customs with anything like the virulence that has characterized the utterances of the honorable member for Grey. Now that he has changed his place, however, he can find a multitude of reasons why the Minister should be excused for his absence, and why he should be regarded as performing his full duty to the public by travelling through his constituency instead of being in his place in Parliament. Has the honorable member ever known any other Minister to treat his measures in the way that the Minister of Trade and Customs has done?

Mr. POYNTON.—I can point to the case of the leader of the Opposition, who is stumping the constituencies of other honorable members, with a view to injuring them, whilst they are here attending to their duties.

Mr. JOSEPH COOK.—The difference between the position of a private member and that of a Minister of the Crown has already been pointed out by the honorable member for North Sydney. If my honorable friend is not able to appreciate the distinction, there is no use in explaining the grave constitutional difference between the two cases. The Minister is supposed to represent the country in the Executive, whereas the leader of the Opposition primarily represents his constituents.

Mr. WILKINSON.—He has been endeavouring to persuade the people that the Government does not represent the country.

Mr. JOSEPH COOK.—That question will be put to the test very soon, and I am content to abide by the result of the forthcoming appeal to the country. I join heartily in the protest that has been made against the constant absences of the Min-

ister of Trade and Customs—particularly having regard to the cause of his absence. I think that the honorable member for North Sydney unwittingly slandered the Minister now in charge of the Bill. He stated that the Vice-President of the Executive Council could not be expected to be as well acquainted with the measure as is the Minister of Trade and Customs. I take exception to that statement. If there is one thing which specially characterizes the Minister of Trade and Customs it is his absolute ignorance concerning the measures which he brings before the House.

Mr. PAGE.—He gets there just the same.

Mr. JOSEPH COOK.—He does; and any one could do so with a solid block like the Labour Party behind him. It is not necessary to explain measures to the members of that party, who simply sit tight, and do as they are required. It is a very simple arrangement, and a most effective guillotine. It has a tendency to sap the very foundations of our representative institutions, and to abrogate free speech and free discussion. But these are small matters to the labour caucus. I think there is a great deal in the criticisms of the honorable members for Echuca and Gippsland. I think that, before we surrender our right to control the expenditure, we should be informed whether any plan has been devised in connexion with the administration of the Bill. I suppose that the honorable members referred to are speaking out of a fuller knowledge and experience of bounties than is possessed by the representatives of other States. I believe that most of the bounty proposals in Australia have failed owing to want of technical and practical knowledge.

Mr. McCOLL.—Hear, hear; and owing to want of proper supervision.

Mr. McLEAN.—Only one of the bounties granted by the Victorian Government—namely, the butter bounty—has been of any substantial benefit.

Mr. JOSEPH COOK.—The failure has in many cases been due to the inefficiency of the methods adopted by those who have been engaged in the industry which it was sought to encourage. Therefore we shall probably throw away a large sum of money unless we take steps to insure that the requisite knowledge and experience shall be brought to bear by those who are engaged in raising the products in respect to which the bounties will be payable, and that proper skill shall be exercised in the administra-

tion. I think that honorable members are entitled to be informed as to the intentions of the Government, and as to the authority which will control the administration.

Mr. McLEAN.—We shall be held responsible to the country.

Mr. JOSEPH COOK.—Exactly. The ignorance that has led to the destruction of so many new enterprises has characterized not only those who have engaged in the undertakings, but those who have had control of the administration. I suppose that it is intended to place the responsibility of administering this measure upon the Customs officials, who, if they are not marvellous men, surely need to be. All kinds of duties are thrown upon them, and they must be men of the greatest experience and widest knowledge in order to effectively perform their part.

Mr. DUGALD THOMSON.—They now have charge of the trade of Australia, and it is proposed that they shall also take charge of the agricultural industry.

Mr. JOSEPH COOK.—Yes; they are to be called upon to instruct agriculturists as to the proper methods of cultivating various tropical products. In regard to some of the products mentioned in the schedule, we shall before very long be brought into competition with articles produced in such places as Java, where, I believe, they have the best laboratory in the world for the investigation of matters relating to tropical products. Therefore, it will be necessary to equip our agriculturists with the very best technical knowledge. The honorable member for Herbert told us that some of the proposed bounties would be immediately payable, but that probably in other cases no claim would be made for some years. In the event of an extra vote being required in connexion with any given industry, Parliament could always be applied to for an increased sum. If that plan were adopted matters would be brought under the review of the House, which might very well be trusted to deal justly and equitably with any industry. Therefore, I see no reason why we should vote a large sum *en bloc*, as the Minister of Trade and Customs suggests, nor do I see why we should fix the amount to be spent annually. The proposal now in the Bill might very well be allowed to stand. If, at any moment, an industry reaches such a stage as to entitle those engaged in it to claim a bounty, provision can always be made in the Estimates for the sum required, and

it is not likely that honorable members will, for one moment, dream of setting aside the contract implied by the provisions of the Bill.

Mr. BATCHELOR (Boothby) [11.56].—I presume that the administration of the bounties will be intrusted to the Customs officials, but, so far as I know, there are no agricultural experts in that Department. I think that we should be informed as to whether the Government have any detailed scheme with regard to the distribution of the bounties. It is a very simple matter to ask honorable members to vote £50,000 per annum, but I think that we should satisfy ourselves that the taxpayers' money will be expended in such a way as to confer benefit upon the community, and particularly upon those engaged in the actual production of the articles specified in the Schedule. The Minister of Trade and Customs will be well advised if he withdraws his amendment. We should know the maximum amount to be spent in any one year. If there is any necessity for an additional vote, the Minister can always fall back upon the Estimates. I quite agree with the honorable member for North Sydney that if £150,000 or £200,000 were spent in any one year, we should probably have to continue to pay the bounties upon the same scale. I dare say that in regard to most of the articles mentioned in the schedule, a ten-year bounty period would be suitable, but, in the case of olive oil, the whole of the bounty would be claimed by those who now have plantations, and are producing oil. No one else could make any claim, because ten years would elapse before oil could be produced from new plantations.

Mr. LONSDALE.—If the industry is a success, why should we grant a bounty?

Mr. BATCHELOR.—What has that to do with the question? If the honorable member had paid the slightest attention to my remarks, he would not have made such an absurd interjection. I was pointing out the impossibility—in the case of olive oil—of benefiting, by the payment of a bounty, any persons save those who are at present engaged in its production. This Bill will not induce the planting of a single tree unless it be in the hope that Parliament will continue the bounty. I would further point out that we can very easily waste a lot of money under a measure of this kind. Even in Victoria, where the growers had the benefit of expert knowledge, and where the

Government expended some £70,000 upon the Maffra beet sugar plantation, I understand that the experiment was a failure. That illustration shows how necessary it is for us to be extremely careful, and to confine the schedule of the Bill to commodities the production of which is almost certain to be attended with success. I understand that the Minister who is at present in charge of the Bill has given a good deal of consideration to this matter. I shall be glad to hear what he has to say upon it.

Mr. EWING (Richmond — Vice-President of the Executive Council) [12.3].—Every honorable member who has spoken upon the Bill has been perfectly reasonable. The Committee feel that it is a serious matter to repose in any Minister the power of determining how much shall be paid by way of bounty in any one year.

Mr. McLEAN. — Especially without knowing any of the conditions which may be operative.

Mr. EWING.—Honorable members are therefore desirous of limiting the amount which should be expended in any year. At the same time, it is generally admitted that the clause should be an elastic one. The honorable member for North Sydney has suggested that the expenditure in any year should be limited to £75,000.

Mr. DUGALD THOMSON. — That is, if any alteration is to be made in the Bill.

Mr. EWING.—If the Committee will affirm that suggestion, I think the difficulty which presents itself might be overcome. I am willing to accept such an amendment.

Mr. McLEAN.—Before the Bill passes through all its stages, will the Minister undertake to furnish the necessary information to the Committee regarding the way in which the money will be distributed?

Mr. EWING. — There is no Federal Department of Agriculture in existence.

Mr. McLEAN. — But the Committee should know whether the executive part of the undertaking is to be carried on under a Commonwealth Department which has yet to be created, or whether the supervision of the scheme will be undertaken by the States Agricultural Departments.

Mr. EWING.—Even in connexion with the preparation of the Bill, I am aware that the Minister received very considerable aid from the States Agricultural Departments. Such assistance will always be welcome. But, of course, the final responsibility must rest with the Minister of Trade and Customs.

Mr. McCOLL.—Who will be the executive authority?

Mr. EWING.—The person in charge of the bounties will be the Minister of Trade and Customs, and the Comptroller-General for the time being will be his chief executive officer.

Mr. McLEAN.—Arrangements will have to be made for the inspection throughout the Commonwealth of the various products upon which a bounty will be payable.

Mr. EWING.—Yes. As far as possible the States Departments will be utilized in that connexion. How did the Minister overcome the difficulties encountered in the payment of the sugar bounty?

Mr. JOSEPH COOK.—We have one expert up there who devotes his whole time to that matter, and who receives £3,000 a year for his services.

Mr. EWING.—He is not a Commonwealth officer.

Mr. McLEAN.—The sugar industry was in full swing before any bounty was authorized. This is an attempt to establish a new industry, so that the position is entirely different.

Mr. EWING.—I see no difficulty in regard to the payment of a bounty upon the production of olive oil and similar commodities which did not obtrude itself in connexion with the payment of a bounty upon sugar. The honorable member for Gippsland, I believe, is of opinion that a bounty should be paid for the production of flax.

Mr. McLEAN.—But it should be produced under proper supervision.

Mr. EWING.—If the article produced is not up to a certain standard, no bounty will be paid under this Bill.

Mr. POYNTON.—Will inspectors be appointed under this measure?

Mr. EWING.—No provision has been made for that.

Mr. POYNTON.—Is there to be a Federal Department of Agriculture created?

Mr. EWING.—Not at this stage. The honorable member is aware of that. The Estimates provide no amount for that purpose.

Mr. POYNTON.—Who will be entitled to receive the bounties proposed?

Mr. EWING.—The honorable member understands that when an officer of the Customs Department has been satisfied that a certain article has been produced in accordance with the terms laid down in this Bill, the producer will be entitled to

to establish a Department of Agriculture under this measure. We know that the States Agricultural Departments are doing very admirable work, and the Minister will, doubtless, work in conjunction with them.

Mr. McLEAN.—Have the Government entered into satisfactory arrangements with the States Departments?

Mr. EWING.—If the honorable member were Minister of Trade and Customs, and had ascertained that the States Governments were friendly to a measure of this description—

Mr. McLEAN.—When I filled the office of Minister of Trade and Customs I formulated a scheme, and I found that the matter was not the small one which the Minister seems to think. I recognise that the whole success of the Bill will depend upon the machinery which is provided for giving effect to it. The Minister should let us know the nature of the Government proposals at some future stage in the consideration of the measure.

Mr. EWING.—Any statement that the honorable member requires, within reason, I shall be glad to furnish.

Mr. DUGALD THOMSON.—How does the Minister propose to give effect to the provisions of clause 3?

Mr. EWING.—Honorable members are directing my attention to all portions of the Bill. I have no desire to discuss clause 3 at this stage. I desire to confine my remarks to the suggestion of the honorable member for North Sydney, who wishes to add a proviso to the clause under consideration which would have the effect of limiting the expenditure in any year to £75,000. The Government are perfectly willing to accept that suggestion.

Mr. HENRY WILLIS (Robertson) [12.14].—The Vice-President of the Executive Council has said that honorable members have been directing his attention to all portions of the Bill. What is the reason for that? It is to be found in the fact that the Minister of Trade and Customs has the "loan" of him. He has introduced this measure, which involves the payment of a sum of £500,000, without any adequate explanation of its provisions. Incidentally we have been told that he has taken infinite pains to obtain information from the States, so that he might be able to present a straightforward statement to the Committee. Yet the Bill has been brought forward when the Minister of

being treated as so many children? We are asked to authorize the expenditure of half-a-million sterling without any information as to the scheme under which it will be disbursed. As a representative of the people, I am desired to vote upon the Bill. Is it fair that I should be sent before my constituents under such circumstances? Is it fair that I should be liable to be asked by an elector why I voted this sum of money in the absence of proper information? The Vice-President of the Executive Council has not been fairly treated; he has been called upon suddenly to take charge of the Bill, and is unable to give that information which the Committee desires. When knotty questions are put which he cannot answer, he merely says, in effect, "Grant us this money, and we will accept your amendment in order that we may overcome the difficulty." The Prime Minister deals generously with his colleagues; he allows them to go on tour whenever they choose to ask for leave of absence, and is ready to take charge of a Bill in order that the Minister to whose Department it relates may go on an electioneering tour.

Mr. PAGE.—Why do not the Opposition call off their dogs?

Mr. HENRY WILLIS.—I am not indulging in mere carping criticism.

Mr. PAGE.—If any one were after the honorable member's seat he would not be long in hurrying off to his electorate.

Mr. HENRY WILLIS.—The question at issue is something more important than is the retention of a seat by an honorable member. I am not finding fault without cause, and I am sure that the honorable member takes the same view of this matter as I do. The representatives of the people in this House are not fairly treated when, in the absence of information which ought to be forthcoming, they are asked to vote a large sum of money for the payment of bounties. With one exception, the bounty system in Australia has been a failure. We know that in some cases people are prepared to enter an industry merely for the sake of securing a bounty, and with no intention of remaining in it. It is proposed to give a bounty for the production of olive oil, but the olive tree grows so slowly that any one who planted now would not obtain a yield in time to enable him to participate in that bounty. The honorable member for Parramatta showed me a note referring to the granting

a most important industry—and an amendment providing for the payment of bounties to encourage irrigation has also been foreshadowed by the honorable member for Echuca. The Minister of Trade and Customs ought to be here to explain the scheme he has formulated to carry out the objects of the Bill. We have a right to amend this Bill so that it may as nearly as possible approach perfection, and the Minister of Trade and Customs by his absence is treating, not only the Vice-President of the Executive Council, but the Committee, very cavalierly. I protest against this procedure, and my attitude is not that of one who has declared himself opposed to the scheme outlined in the Bill. The bounty system is the least objectionable form of protection. If a clear case for the granting of protection to certain industries by means of the bounty system could be made out, the Government might secure the support of those whose fiscal leanings are in another direction. But we are asked to vote in the absence of the necessary information for our guidance.

Mr. EWING.—Will the honorable member mention the details with respect to which he desires information?

Mr. HENRY WILLIS.—The honorable gentleman has said that he is not in possession of all the information collated by the Minister of Trade and Customs, whose Department will be intrusted with the administration of this measure. That being so, he is unable to give us the information we require as to the details of the scheme under which these bounties are to be paid. I should like a full and explicit statement from the Minister, who has made this subject his careful study. The Government are imposing upon the generosity of the Vice-President of the Executive Council, and I think that they will find before long that he has had enough of it.

Mr. THOMAS.—The honorable member should make a dignified protest, and walk out of the chamber.

Mr. HENRY WILLIS.—This sort of thing would not be tolerated in any other Legislature. It is possible here only because a few honorable members are indifferent to their responsibilities, because, irrespective of anything they may do, a solid party vote is recorded for them.

The CHAIRMAN.—Order! The honorable member must not proceed with that line of argument.

such circumstances that an honorable member would view with complacency a request by the Government for power to expend £500,000 without affording the Committee any information as to the proposed scheme of distribution.

Mr. SPENCE (Darling) [12.25].—Unnecessary difficulties are being raised in the consideration of this Bill, and I think that the answer to most of the objections we have heard is self-evident. The Government propose to encourage the establishment of new industries by means of the bounty system, and the Minister in charge of the Bill has to deal only with a question of fact. When a claim is made for payment of bounty, the Department administering the Act will simply have to decide whether its requirements have been complied with. Some honorable members who have been howling about the necessity to study the interests of the States, when in office, adopted the policy that the Commonwealth should "go mates" with the States. They should remember that the States Departments of Agriculture are already educating the farmers in regard to the raising of new products, and that, so far, no necessity has been shown for this work to be undertaken by the Commonwealth. The suggestion that we should have a Federal Bureau is generally approved, but it is not necessary to have such a Department to administer this measure. There should be no more difficulty in paying bounties under this Bill than is experienced in connexion with the working of the Sugar Bounty Act. Under that measure, a claimant for the bounty has to prove that his sugar has been grown by white labour. No difficulty has arisen in carrying out that Act, although a special Department was not created to give effect to it, and it seems to me that there will be no difficulty in administering this Bill.

Mr. McLEAN.—The honorable member has not given much consideration to the question.

Mr. SPENCE.—I think that I have given it as much consideration as the honorable member has done. His experiments in this direction as a member of the Victorian Parliament were not altogether satisfactory.

Mr. TUDOR.—The expenditure, for instance, of £100,000 of Government funds on the Maffra beet sugar works.

Mr. McLEAN.—No bonus was given, but a loan was made to the company.

Mr. SPENCE.—The experience of the Commonwealth in regard to the bounty system has so far been satisfactory. I agree with the honorable member for Echuca that certain steps may have to be taken, and that we ought to have some information relative to the question of whether or not some of the industries in respect to which the bounty is to be given are not already established. I believe that, in South Australia, the production of olive oil has been for some years a well-established industry, and that the Sydney market is largely supplied from that source. The payment of a bounty in respect of an industry that is sufficiently established could not be justified; bounties should be given only to pioneering industries. I repeat that there should be no difficulty in devising the machinery to carry out this system, and that we ought not to agree to the Commonwealth handing over the works to the States. Why should we hand over to any State Department the payment of Federal bounties? The final decision in these matters must rest with the Commonwealth Government. Responsible government must be maintained, and the power of the purse vested in those who represent the electors. The granting of bounties is a means of encouraging private enterprise to enter into new industries by indemnifying it to some extent against losses sustained in pioneering work. I think we might have some information as to whether there are now in existence industries which could well be fostered by the granting of bounties to them. So far as the tapering off of the bounties is concerned, that, it seems to me, will come about when industries have been successfully encouraged by the multiplication of the number of claimants, making the amount available to each continually less and less. I should not grudge the giving of assistance to pioneer industries already in existence. Some time ago I visited an olive yard in South Australia, of an area of 60 acres, where I was told oil of excellent quality is produced at profitable prices. I do not know what the total area under olives in the Commonwealth is, but it seems to me that the olive oil industry is a pioneer one, deserving encouragement. No doubt the Minister of Trade and Customs will co-operate with the Departments of the States in administering this measure, while keeping the control of payments entirely in his own hands.

Mr. LONSDALE (New England) [12.33].—I am sure that honorable members deeply sympathize with the Vice-President of the Executive Council in having to take charge of the Bill at a moment's notice, in consequence of the severe indisposition of the Minister of Trade and Customs. We regret, not only the suffering of the Minister—because we understand how sick he must be when he realizes what is taking place in his constituency—but also the fact that his absence prevents us from obtaining information which he promised in moving the second reading, and which would enable us to have a better understanding of his proposals. In my opinion, there is no need for the proposed bounties. Why should we give money to those connected with industries which are already in existence? Coffee has been grown successfully in Queensland, and the olive oil industry is already established in South Australia.

Mr. JOHNSON.—Chicory is still provided for in the schedule.

Mr. EWING.—It will be struck out if the honorable member moves in that direction.

Mr. LONSDALE.—If the payment of bounties can be defended at all, it is only when they are given to establish new industries. If it could be shown to me that, by the giving of a little direct assistance, a profitable industry could be established, which would be beneficial to the community as a whole, I should not have much objection to the proposal to give such encouragement. But, apparently, the Minister intends to give bounties to persons who are already carrying on profitable industries. The honorable member for Darling alluded to the sugar bounty as an instance of the success of this policy. If he calls that a success, I do not know what he would term a failure. Sugar growing was a successful industry before the bounty was proposed. Indeed, that bounty was given, not to encourage the growing of sugar, but to provide for its production by white instead of black labour. As a matter of fact, it is an absolute gift to most of the growers in the electoral division represented by the Vice-President of the Executive Council, because very few coloured labourers have ever been employed there.

Mr. TUDOR.—But the growers provide the bounty themselves by paying the Excise duties.

Mr. LONSDALE.—The sugar duties increase the price of sugar to the consumers, and all that we do by imposing Excise duties is to take from the growers part of the profit which they gain thereby.

Mr. STORRER.—The Excise amounts to more than the bounty.

Mr. LONSDALE.—The Excise is less than the duty, which increases the price of sugar to the consumer to such an extent that the grower receives more than he pays in Excise. The honorable member for Grey told us that the cost of producing a cwt. of olives is 6s., and that this quantity will make 2 gallons of oil, worth 16s. I do not know what is the cost of expressing and refining the oil, but 10s. seems likely to leave a margin for a considerable profit from the operation.

Mr. POYNTON.—There is more profit in the manufacture of the oil than in the growing of the berries.

Mr. LONSDALE.—No doubt; but if the profit is already sufficient to induce persons to manufacture olive oil, I see no reason for granting a bounty to the industry. Similarly, there is no reason for trying to encourage the coffee industry, it having already been shown that coffee can be grown successfully within the Commonwealth. We have been told, too, that cotton has been grown in Queensland with very good results, pamphlets having been sent to us explaining what is being done. Why should the taxpayers of the Commonwealth be burdened with extra taxation to provide bounties for these industries? The Bill is a very crude one. We have not been informed even as to the machinery to be employed for carrying out its provisions. If the bounty system is a good one, why should not we apply it all round? There are many men who toil hard, and unsuccessfully, to whom it is not proposed to give a bounty. After a year's hard work, a farmer may lose his crop by reason of a drought, or the prevalence of rust, or the coming of rain in harvest time. Why should not such a man receive a bounty, amounting to at least half the value of the crop so destroyed by natural forces? There would be some sense in proposing to support individual enterprise by nationalizing losses in that way. I see no reason, however, for the granting of bounties for the assistance of

industries which are already profitable, or which can be made so without assistance.

Mr. KNOX (Kooyong) [12.43].—When giving my general support to the Bill on the motion for the second reading, I said that in Committee we should expect, and would be entitled to receive, from the Minister of Trade and Customs, some information as to how the proposed bounties would be distributed, but we are still in the dark in regard to the intentions of the Government. All we have been told is that the Minister will have control of the payments. We have not been told what machinery will be provided, or what scheme will be adopted. I have already ventured the opinion that it would be better to propose assistance to some specific industry which can be benefited by the giving of bounties than to offer bounties which may be ineffective, unsatisfactory, and resultless. Only the baldest statement of the intentions of the Government has been put before us. If the Government, simply because they have a large majority behind them, insist on forcing measures through, without affording honorable members sufficient information, all we can do is to enter our strongest protest against such an improper conduct. It was fully expected that we should have been afforded some information as to the reason why the Government propose to distribute over a variety of industries small bounties, which bounties are not likely to have any beneficial results. As one who supported the second reading of the measure, I think that I am entitled to know how the Bill is to be administered, and under what supervision the bounties are to be distributed.

Mr. EWING (Richmond—Vice-President of the Executive Council) [12.48].—One cannot help being struck with the reasonableness of all the speeches made by honorable members to-day. As has been stated by the honorable member for Kooyong, every information should be given. Some slight alteration will have to be made in the clause, and I think that this would be a convenient time to adjourn for lunch, in order that the necessary amendments may be prepared.

Mr. KELLY.—I think that before we adjourn for luncheon we ought to have a quorum.

A quorum not being present,

Mr. Speaker adjourned the House at 12.52 p.m.

Tuesday, 28 August, 1906.

The PRESIDENT took the chair at 3 p.m., and read prayers.

PREFERENTIAL TRADE: NEW ZEALAND.

Senator PULSFORD.—I desire to ask the Minister of Defence, without notice, whether he will take care that the statement with regard to the proposals for a Tariff arrangement with New Zealand is made simultaneously in both Houses?

Senator PLAYFORD.—I shall try to arrange for that.

PAPERS.

MINISTERS laid upon the table the following papers:—

Recommendations, &c., and approval of Samuel McHutchison's promotion to the position of clerk in charge, Crown Solicitor's Office, Sydney.

Ordered to be printed.

Transfers of amounts approved by the Governor-General in Council under the Audit Act, financial year 1905-6 (dated 24th August).

Amended Public Service regulations, Nos. 153, 155, 168, 199, allowances and telegraph messengers, Statutory Rules 1906, No. 66.

GRADING OF BUTTER.

Senator MACFARLANE asked the Minister representing the Minister of Trade and Customs, *upon notice*—

1. If the Minister of Trade and Customs' statement, as appears in *Hansard*, pages 2475 and 2476, to the effect that "he had told the representative of the Byron Bay Factory for butter making that he would be very glad to appoint their expert, or some person in their factory, as the representative of the Department for the purpose of grading their butter, subject to periodical inspection," is to be taken as allowing certain factories to grade their own butter?

2. Is this in accordance with the present Statutory Rules?

3. If so, will all factories of good standing be placed on the same footing?

Senator PLAYFORD.—The answer to the honorable senator's questions is as follows:—

The suggestion is to nominate the expert of the company in a case where the factory is large and difficult of access. The expert of the Department will occasionally make a visit of inspection.

will allow certain factories to grade their own butter?

Senator PLAYFORD.—Subject to supervision.

Senator MACFARLANE.—Arising out of the answer I desire to ask the Minister why he has not answered my third question?

Senator PLAYFORD. — When I received the reply from the Department of Trade and Customs, I noticed that the second and third questions were not answered. I was thinking of sending it back with a request to furnish me with a definite answer to each of the questions, but afterwards I thought that possibly the honorable senator might be satisfied with the reply which had been furnished, and therefore I took the chance of giving it. I shall call special attention to the fact that the two questions have not been answered, and tell him the result of my inquiries.

Senator GUTHRIE.—Will not the Minister tell the Senate?

Senator PLAYFORD.—I shall tell the Senate if the honorable senator wishes.

Senator CLEMONS.—I desire to refer to what the Minister of Defence has just said.

The PRESIDENT. — The honorable senator cannot debate the answer to a question.

Senator CLEMONS.—I want to ask a question arising out of the reply, and that is whether the Minister of Defence will make the answer in his place at the table to the question which has been properly asked by Senator Macfarlane, so that the whole Senate may know what it is, and so that it shall not be made, as he intended, in a private way to that honorable senator. I was astonished that he should have made such a remark.

The PRESIDENT.—Order! That is comment.

Senator CLEMONS.—I ask if the Minister's answer to Senator Macfarlane's question will be made public, and at what date?

Senator PLAYFORD. — Of course, it will be made public. I said that I would give the answer to the honorable senator. I did not mean that I would give it to him privately.

PUBLIC SERVICE: INCREMENTS.

Senator DE LARGIE asked the Minister representing the Minister of Home of Home Affairs, *upon notice*—

1. Will the Government take action to see that the recommendations of Heads of Branches, with regard to the officers who have merited increments being granted to them, will be given effect to?

2. Will instructions be issued with regard to the granting of increments, to allow of priority being given to the claims of all officers who are in receipt of a salary of £300 or under, provided that their past services are reported favorably upon by the Head of the Branch where they are engaged?

Senator KEATING.—The answers to the honorable senator's questions are as follow:—

The Public Service Commissioner reports as follows:—

1. Recommendations of Heads of Branches are considered by the Departmental Heads, with whom the responsibility rests of submitting recommendations embracing the whole Department, and it is not desirable that any alterations in this respect should be made.

2. It is not considered desirable to do so.

PAPUA: ROYAL COMMISSION.

Senator HIGGS asked the Minister representing the Minister of External Affairs, *upon notice*—

1. At what date was the "spontaneous application" by the Acting Administrator of British New Guinea for a Royal Commission received at the Department of External Affairs?

2. Will the Minister lay on the table of the Senate the letter containing the spontaneous application referred to?

3. By what date must the proposed New Guinea Royal Commission bring in its report?

4. What is the estimated cost of the proposed Royal Commission?

5. What is the scale of fees and allowances to be paid to members of the Commission?

6. What was the approximate cost of the investigation into British New Guinea affairs made by Mr. Atlee Hunt, Secretary for External Affairs, in 1905, including the salary of Mr. Hunt and travelling expenses while engaged in said investigation; the cost of printing report; and all other expenses that may reasonably be regarded as incurred in connexion with the inquiry?

Senator PLAYFORD.—The answers to the honorable senator's questions are as follow:—

1. 23rd July, 1906.

2. Copy herewith.

The letter, which is dated at Government House on 4th July, 1906, and addressed to the Prime Minister, reads as follows:—

Sir,—An idea having, by some means, gained ground in Australia that the present Administration of British New Guinea is unsatisfactory, I

have the honour to request that a Royal Commission may be appointed at an early date to visit this Territory, with a view to inquiring exhaustively into the matter.

Not only do I regard such a course as eminently necessary in order that ill-founded impressions may be authoritatively dispelled, but also in the future interests of the Possession, for unless existing charges and grievances—whether real, imaginary, or malicious—are ventilated, injustice will inevitably be done to individuals, and the nature of this may be more far-reaching in its injurious effects than is at present evident.

I shall esteem it a favour if you will inform me, by telegram, whether my request is favorably regarded.

I have, etc.,

F. R. BARTON,

Administrator.

3. No date definitely fixed, but chairman has been requested to present report before 31st December, 1906.

4. Difficult to estimate until duration of Commission and amount of travelling are known.

5. It is proposed to pay the chairman £4 4s. per diem; other members £3 3s.; actual travelling expenses are also to be paid.

6. The total cost was £96, made up as follows:—Travelling and incidentals, £70; printing report, £26. Mr. Hunt's salary for the period of his absence was £164. No additional officer was employed by reason of his absence.

Motion (by Senator HIGGS) agreed to—

That the paper quoted by the Minister of Defence be laid upon the table and printed.

Senator PLAYFORD.—I beg to lay the paper upon the table.

COUNTING THE SENATE.

The PRESIDENT.—I wish to call the attention of the Senate to standing order 56, which says:—

When the attention of the President, or of the Chairman of Committees, has been called to the fact that there is not a quorum of senators present, no senator shall leave the chamber until the Senate has been counted by the President.

On Friday last I had no opportunity of calling specific attention to this standing order, because the Senate was counted out. Honorable senators know that after attention had been called to the state of the Senate—there was, by-the-bye, a quorum present then—three honorable senators left the chamber. I believe that all three honorable senators were forgetful of the standing order; in fact, I am quite sure that two were, because they came back when requested, and I hope that the third honorable senator was also, I shall not say ignorant, but forgetful of the standing order. As it happened, the two honorable senators who came back made up the quorum, and, therefore, it was not necessary to take any action. But when attention is called to the

state of the Senate, if an honorable senator leaves the chamber in derogation of the standing order, I think it only right that in counting the Senate I should count him, because he ought to be here. He is here in accordance with the standing order. I hope that such an occurrence will not happen again.

Senator MCGREGOR.—In explanation, sir, I desire to say that I was really forgetful of the standing order at the time; but that on account of the way in which the Senate was treated, particularly the members of the Labour Party, I could not remain in the chamber.

The PRESIDENT.—I only called attention to the standing order, and not to the motive of the honorable senator.

EXCISE TARIFF BILL.

Bill received from the House of Representatives, and (on motion by Senator PLAYFORD) read a first time.

TOBACCO INDUSTRY EMPLOYES.

Senator FINDLEY (Victoria) [3.14].—I desire to amend the motion which has just been declared "formal" by stating the year for which I desire the return to be prepared.

Senator MILLEN.—Do I understand that the honorable senator wants to limit the return to one year?

Senator FINDLEY.—Yes. What years does the honorable senator suggest?

Senator MILLEN.—When I assented to the motion going as formal, I thought that the honorable senator was asking for the preparation of a comprehensive return. I am not going to state what years I want.

Senator FINDLEY. — I ask leave to amend my motion by inserting the words "respectively for the last five years" after the word "showing."

HONORABLE SENATORS.—Hear, hear.

Motion (by Senator FINDLEY) agreed to—

That there be laid on the table of the Senate a return showing respectively for the last five years—

1. The number of adult males employed within the Commonwealth in the manufacture of hand or mould made cigars.

2. The number of adult males employed in the manufacture of machine-made cigars.

3. The number of adult males employed in the manufacture of hand-made tobaccos.

4. The number of adult males employed in the manufacture of machine-made tobaccos.

5. The number of adult females employed in the tobacco factories in the Commonwealth.

6. The number of females under the age of 21 employed in the process of tobacco, cigar, and cigarette-making in the Commonwealth.

7. The number of males under the age of 21 employed in the tobacco, cigar, and cigarette factories of the Commonwealth.

AUSTRALIAN INDUSTRIES PRESERVATION BILL.

In Committee (Consideration resumed from 23rd August, *vide* page 3302):

Clause 6 —

1. For the purposes of the last two preceding sections, unfair competition means competition which is unfair in the circumstances; and in the following cases the competition shall be deemed to be unfair unless the contrary is proved:—

(a) If the defendant is a commercial trust;

(b) if the competition would probably or does in fact result in an inadequate remuneration for labour in the Australian industry;

(c) if the competition would probably or does in fact result in creating substantial disorganization in Australian industry or throwing workers out of employment.

2. In determining whether the competition is unfair, regard shall be had to the efficiency of the management, the processes, the plant, and the machinery employed or adopted in the Australian industry affected by the competition.

Senator PULSFORD (New South Wales) [3.16].—I move—

That paragraph *a* of sub-clause 1 be left out.

The term "commercial trust" is very wide and far-reaching, and drags within its net all possible combinations. Senator Playford has told us that all trusts are not necessarily evil, and in Mr. Tregear's paper the statement is distinctly made on the authority of American Departments that many trusts are beneficent in their action.

Senator FINDLEY.—Do not take American authorities in regard to trusts.

Senator PULSFORD.—We need not go outside our own knowledge. Everybody is aware that a trust may be beneficent in its action. For instance, in the coal trade we have a trust for the express purpose of enabling coal owners and coal miners to work together with a view to keep up the rate of wages. That, I presume, would be considered a beneficent trust.

Senator FINDLEY.—It would all depend upon what price persons have to pay for the coal.

Senator PULSFORD.—Of course it would all depend upon circumstances. But as long as it is possible for a trust which is beneficent, and not evil in its working to be constituted, we have no business to pass

any provision which would at once constitute a trust *prima facie* a fraud. The paragraph provides that if the defendant is a commercial trust, the competition shall be deemed unfair.

Senator PLAYFORD.—Unless the contrary is proved!

Senator PULSFORD.—Obviously that is not in accordance with the statement made by the Minister of Defence, and offends against every principle of justice. The clause would not be weakened for the purpose for which it was designed by the omission of the paragraph, and certainly it would be made a little more satisfactory. The word "shall" is used in the clause. That is to say, if the defendant is a commercial trust his competition is to be deemed to be unfair, unless the contrary is proved. That is mandatory. However fair, honest, or beneficent the trust may be, the Courts, or whoever deals with the matter, is bound to look upon it as unfair in its competition. Therefore, with every confidence, I ask the Committee to strike out the words.

Senator PLAYFORD (South Australia—Minister of Defence) [3.21].—I have already admitted—and I think I was accurate in doing so—that there are trusts that are absolutely fair, and may be beneficent; whilst, at the same time, there are trusts which are unfair. This clause simply provides that trusts shall prove that they are not unfair, whereupon there will be no further trouble. It is only where a trust is unfair that the clause will operate. The great majority of trusts are unfair, unmistakably.

Senator MILLEN (New South Wales) [3.22].—I must express my disappointment at the meagreness of the reply of the Minister. It is, I think, incumbent on any Minister who is in charge of a Bill, when a question is raised as to the wisdom of retaining any of its provisions, to justify them. Surely Senator Playford cannot contend that his brief remarks have justified the words to which Senator Pulsford takes exception. I point out two strong objections to them. In the first place this clause makes a different law for different individuals or institutions. It places a trust—it may be before a criminal Court—in an entirely different light from an individual. Is it desirable to have one law for one set of persons and another law for another set?

Senator CLEMENS.—We have that already in the Bill.

Senator MILLEN.—There is no reason for multiplying instances of the kind.

Senator FINDLEY.—It is impossible to put companies in gaol, but it is possible to put individuals in gaol; that is what this Bill does.

Senator MILLEN.—Because it is impossible to deal with companies in the same way as with persons, surely it does not justify dealing with them differently, as this clause proposes to do. I can see no justification for saying that where an individual is brought before a Court, he shall be dealt with under a certain law, but that where a combination of persons is proceeded against they shall be dealt with under another law. The Minister said that there is no hardship upon them. It is quite clear that those who drafted this clause thought that there would be a hardship, or words would not have been inserted which place upon trusts restraints that are not applied to ordinary individuals. I should like to quote an authority to show that trusts are not necessarily injurious.

Senator FINDLEY.—I object to authorities brought from America.

Senator MILLEN.—This Bill is supposed to have been drafted upon the basis of American legislation.

Senator FINDLEY.—That is the reason why it is not "up to much."

Senator MILLEN.—Does that account for the honorable senator's enthusiastic support of it.

Senator FINDLEY.—I am not an enthusiastic supporter of the Bill.

Senator MILLEN.—The authority whom I desire to quote says—

One of the best known monopolies is that of the Standard Oil Company of America. That company has an unmistakable monopoly, but it has lowered the price of oil to the consumer, and its operations have not resulted in any disadvantage to the community.

Senator PEARCE.—Who said that?

Senator MILLEN.—Senator Playford said it.

Senator PEARCE.—I understood that he contended that trusts merely cut down prices until they crushed out competition, and then raised them.

Senator MILLEN.—He made the statement which I have quoted quite recently. It is a fact, of which we are all aware, that there are trusts which are not necessarily injurious. If that be the case, it

seems to be quite sufficient if power is taken, where it is considered that a trust is doing wrong, to bring it before the Court, and treat it as an ordinary individual would be treated, according to processes with which we are familiar. Merely because a trust is the defendant it ought not to be assumed that it has done certain things. Instead of following the principle which underlies all our legislation—or did until lately—that a man is to be assumed to be innocent until proved to be guilty, this clause is based upon the assumption with regard to certain individuals, that they are to be held to be guilty, and it throws upon them the onus of proving their innocence. This marks a departure from the legislative road which this and all other English-speaking communities have hitherto followed—of assuming the innocence of a person charged with an offence until guilt is proved.

Senator GIVENS.—That principle was departed from long ago even in Australia.

Senator MILLEN.—It is because this provision marks a new departure, and because that departure is becoming more frequent and pronounced, that I ask the Committee to see whether there is any necessity for perusing that departure in the clause which we are now discussing. To my mind, it appears to be desirable that we should not revert to a system well known in continental Europe, but unknown in Great Britain, and unknown in Australia until latterly, for the sake of such a slight advantage as might probably be gained if we retained the words, the omission of which Senator Pulsford has moved.

Senator BEST (Victoria) [3.26].—I do not agree with my honorable friend who has just resumed his seat, that this clause puts any unfairness upon commercial trusts. The honorable senator's first objection is that there is no reason why a trust, which, according to him, may or may not be beneficial or non-injurious, should be treated differently from an individual. I reply that there is a most obvious and decisive reason. We are aware that commercial trusts have been formed for the purpose of defeating legitimate trading, and securing monopolies, and that, having secured monopolies, they have used their power in their own interest. This Bill defines what a commercial trust is, and in so doing it has regard to the growth of commercial trusts through their various stages. In the United States the

first stage was an agreement by means of which persons endeavoured to secure and control trade. The Courts, however, interfered, and said that these agreements were in restraint of trade, and consequently could not be permitted to be made. After that, persons desiring to monopolize trade transferred their stock, which was to be held under a declaration of trust for certain purposes. To meet such arrangements, the words "as understood in equity" are inserted in this Bill. According to law, those persons who held stock in their own name were the legal owners, but as they executed a deed of declaration of trust, the beneficiaries under the declaration are included when we refer to a trust "as understood in Equity." This second scheme was also defeated by the Courts. The third scheme was the creation of what was called holding companies; the effect of which was that they did not come within the terms of the judgments in the previous cases referring to agreements and declaration of trusts, but formed a separate company for the purpose of buying interests or taking over interests in various other companies. By this means a company or commercial trust was created, and illegitimate trading was thereby secured. The Bill has been drawn for the express purpose of defeating illegitimate efforts on the part of commercial trusts. If a great monopolistic concern of this kind enters into a deliberate scheme to crush an Australian industry by unfair competition and unfair dealing, it is essential to the efficacy of a measure which seeks to prevent anything of the kind that the words objected to should be retained.

Senator CLEMONS (Tasmania) [3.31].—While listening to Senator Best, I have been wondering whether he intended that this Bill should affect trade unions; because there is no argument applicable to trusts used by him which could not be applied to unions of labouring men. I see no particular reason why paragraph *a* should be retained in clause 6. What is really aimed at is secured by paragraphs *b* and *c*. The one object which we have in passing this clause is to see that there shall be no unfair competition, no inadequate remuneration for labour, no substantial disorganization in Australian industry, and no throwing of workers out of employment. What is the necessity, or what is the desirability, of inserting paragraph *a* for that purpose? If it be taken out altogether, we do not, to the smallest extent imaginable, impair the

efficacy of the Bill, or the clause under consideration.

Senator BEST.—But we make it more difficult.

Senator CLEMONS.—The elimination of the paragraph will not make it more difficult to work under the clause.

Senator BEST.—It would be incumbent to prove two different things, whereas it would not be necessary if the words were retained.

Senator CLEMONS.—Surely we do not want such short-cuts to legislation. We might as well say at once that a commercial trust consists of common scoundrels. A commercial trust, however, is not necessarily injurious; and to the fullest extent to which it may be injurious, it can be dealt with under paragraphs *b* and *c*. If there is a little honesty and fair play on the part of a commercial trust, it should not be treated unfairly. But this clause would shut it out even though it were carrying on operations in a way to which we could not have the slightest objection. I cannot see the smallest imaginable reason that the most devoted admirer of this Bill can allege in favour of the words. If they are left out, I cannot see that anything harmful would follow, because everything that is necessary is amply provided for. Senator Playford has admitted that it does not follow that a commercial trust is necessarily an improper thing. We all admit that if a trust has a proper regard for the remuneration and conditions of labour, and for fair competition it is not unfair. I return to the point that every word of this clause would apply to an ordinary trade union. A trade union might be conducted exactly as a commercial trust is supposed to be conducted under the definition which appears in this Bill. Even Senator Best will admit that.

Senator BEST.—I will not. It is totally different.

Senator CLEMONS.—It must be admitted that a trade union might be conducted under the definition of "commercial trust." But nobody wants to shut out a trade union because it is a trade union and to say that it shall be treated as a commercial trust is to be treated. That is a serious reason why we should hesitate to include words which in themselves do not add anything to the strength of the Bill.

Senator PULSFORD (New South Wales) [3.37].—It was stated by Senator

Best, a little while ago, that this Bill referred to "great trusts." He used the word "great." I refer honorable senators to the fact that the word is not used in the Bill. The clause under discussion refers to all sorts of trusts, small as well as great; and a misapprehension is created by keeping before the minds of honorable senators the statement that we are dealing with great evils. I urge honorable senators to disabuse themselves of that false impression. Senator Playford has made a remark which, instead of weakening the ground that I take, strengthens it materially. He said that if a charge is brought against any one, all that he has to do is to prove his innocence. If that argument be looked at quietly, what does it resolve itself into? That an entirely false charge may be brought against anybody. If we eliminate the words to which I object, we shall to a certain extent prevent that evil being done. At the same time, we shall not weaken the power of attacking great trusts and serious evils when they arise. To give an idea as to what is possible, I wish to quote some details of an agreement that I hold in my hand. It is similar, I suppose, to hundreds, if not thousands, of agreements existing in Australia. And remember that an agreement amongst merchants and traders to do a certain thing is, according to clause 3, to be considered to constitute those traders a trust. The agreement which I have in my hand is one by which certain distributing merchants of New South Wales bound themselves to sell a certain brand of cocoa at a given price, and by which the agent for the manufacturer at Home bound himself to sell only to firms which observed the condition. The sole object of the agreement was to prevent what might be called sweating in selling, because the only profit on this cocoa is equal to 1d. per lb. I know all about this matter, because my name appears in the agreement.

Senator MILLEN.—Is the honorable senator a "commercial trust"?

Senator PULSFORD.—Yes; I am agent for the firm in London, and, according to this Bill, for one of the most simple and innocent agreements the world ever saw, I am liable to be described as a commercial trust, or a party to a trust, and have a criminal charge levelled at me. Such agreements are made almost by the hundred. Honorable senators will see that if ten or twenty importing firms are dealing

in a proprietary article, there is a tendency for one house to quote some minute fraction under the price of another house; but with an agreement of this kind, which, as I say, may be regarded as a simple and requisite anti-sweating agreement, a minimum price is fixed to cover all trade risks. This is a form of agreement which exists in all the States, and is necessary for the carrying on of business. So far from being of that grasping character which is attributed to trusts, it really has an opposite tendency. The sole object is to make it possible for business to be conducted. It has happened again and again that, with various competing firms, the price has become such as to return no profit, and the sale of the article has been given up. The object of such agreements is to obtain a minimum profit—sometimes a beggarly profit scarcely worth the trouble of entering in the books.

Senator BEST.—If an agreement is not detrimental to the public, there will be no liability to a prosecution.

Senator PULSFORD.—But why should I be brought into Court to prove that I am not a criminal? Why should the Senate allow any persons to be charged as criminals, when that can be avoided?

Senator TRENWITH (Victoria) [3.44].—There are reasons why paragraph *a* should be retained in connexion with trusts. It is fallacious to reason with reference to commercial trusts, which have become a world's menace, on the same lines as we should with reference to individuals. However, if we require a reason for the retention of paragraph *a*, Senator Pulsford has supplied one. The honorable senator has shown the existence of an undoubted trust in connexion with the cocoa trade. He has also shown that that is not a baneful trust; and it would, therefore, not be affected, except to the extent of being called upon to prove its innocence, as could easily be done.

Senator MILLEN.—But, being a trust, it would be held to be guilty of unfair competition.

Senator TRENWITH.—Being a trust, it is assumed for the purpose of the Bill that its competition is unfair until proved to be otherwise. The reason for so dealing with trusts is that, unlike individuals, they are generally extremely powerful, and created for the purpose of exploiting the public. While it is admitted that occasionally, and, generally, only tentatively, trusts may be non-injurious or may even be

beneficent, their general tendency is to be baneful, and, therefore, they are treated differently from individuals whose characteristic is not to be prejudicial to the public well-being.

Senator BEST.—This clause applies only to a trust whose deliberate intention it is to injure an industry.

Senator TRENWITH. — I think the honorable senator is wrong. This clause applies to any commercial trust.

Senator BEST.—It applies only to a trust whose intent it is to destroy or injure, by means of unfair competition, an Australian industry.

Senator TRENWITH.—I am putting the worst case; and it seems to me that, if there be a trust, the authorities may, if they choose, call upon it to prove that its operations are not baneful to the public, or likely to create disorganization in an industry. But, assuming Senator Best to be right, I contend that there is justification for dealing with trusts differently from individuals. According to Senator Pulsford's own showing, the trust to which he has referred is designed to maintain just and reasonable profit. But, assuming for argument sake that it could be shown—or that the trust was unable to show that it was not so—that the minimum price was fixed in order to permit the manufacturer, even though the distributors only made a profit of 1d. per lb., to charge twice, or any amount, over, what ought to be a proper charge for manufacturing. Under such circumstances, the trust would be one baneful in its character. As showing from current history the necessity for treating trusts differently from individuals, honorable senators have only to remember the recent proceedings against the fountain head of American trusts, J. B. Rockefeller, who was summoned before a Court to give evidence. I assume that the object of summoning Mr. Rockefeller as a witness was to prove by his evidence that the trust with which he was connected was baneful; but, as he simply kept out of the way, and would not fulfil his duties as a citizen, he was not called upon to prove his innocence, with the result that the intention of the Court to prove him guilty was frustrated. If Mr. Rockefeller had been called upon by law to prove his innocence, it would have been no use his running away, and he would have come forward. That seems to be a strong reason why we should deal differently with these institutions as

compared with the ordinary institutions of civilization.

Senator MCGREGOR (South Australia) [3.50].—I feel very much concerned about Senator Pulsford being a member of a trust of any kind; but Senator Pulsford will have to take the consequences of this legislation, because I believe it will be passed. If a trade union were organized for the purpose of injuring an Australian industry, or doing any injustice to Australian workmen, producers, or consumers, I should be prepared to let that union also take the consequences of such legislation. To carry on the argument advanced by Senator Trenwith, I may say that a commercial trust is very often described as an octopus. I do not believe in using terms of that description as applied to commercial trusts, or any other institution.

Senator FINDLEY.—A number of trusts are "fishy," so the term is applicable.

Senator MCGREGOR. — There is a "fishiness" about trusts that might justify such a term. The Rockefeller trust is an octopus, and if we catch hold of one of its tentacles the responsibility is at once removed to another, and another, and yet another, until it is impossible to say where is the centre. In other words, if we get hold of a trust of this kind by one leg, as the saying is, it hops away on the other.

Senator FINDLEY.—The public do not know where to lay their hands on a commercial trust, but a commercial trust always knows how "to get at the public."

Senator MCGREGOR.—That is so; and that is a very strong reason why trusts should be treated differently from individuals. We can always take an individual by the scruff of the neck and give him a shake up by law, or some other means; but such a step is impossible in the case of a commercial trust. The only way is to say to a commercial trust—"Until you prove yourself innocent, we shall assume that you are guilty." Then the trust will come out of its shell, and, if it can, prove itself innocent. There would be no difficulty in an innocent trust proving its innocence, and, if it were guilty, it would not come out of its shell at all; and, therefore, it should be treated as guilty. Otherwise, a trust would be able to carry on its operations, and the law would be ineffective. According to the Bill as presented, a trust, wherever it might be, of whomsoever it might be composed, will be treated as guilty until it proves that there is no in-

tention to injure the public trust of Australia. It can be called upon to come out of cover, and prove that its business is legitimate; and, for the reasons already advanced, a commercial trust ought to be treated differently from an ordinary individual.

Senator DRAKE (Queensland) [3.55].—A very peculiar reading has been given to this clause, and it is, therefore, desirable to have an interpretation from the Government of what is intended. It has been suggested that each one of these paragraphs must, if I may use the expression, conspire together before any person can be charged.

Senator BEST.—Oh, no; there are paragraphs *a* and *b* of clauses 4 and 5?

Senator DRAKE.—What on earth have the paragraphs of clauses 4 and 5 to do with the question? Several honorable senators have told us that clause 6 will not apply to a commercial trust unless that trust is going to do something improper under the Bill. That, however, is not so.

Senator MILLEN.—The mere fact that it is a trust will be enough.

Senator DRAKE.—I turn to the interpretation clause to ascertain what is the meaning of "commercial trust." I find that—

"Commercial trust" includes a combination, whether wholly or partly within or beyond Australia, of separate and independent persons (corporate or unincorporate)—

There is nothing wrong up to that point, I suppose—

whose voting power or determinations are controlled or controllable by—

- (a) the creation of a trust as understood in equity, or of a corporation, wherein the trustees or corporation hold the interests, shares, or stock of the constituent persons; or—

There is nothing particularly wicked in that, I suppose.

- (b) an agreement; or

- (c) the creation of a board of management or its equivalent; or

- (d) some similar means;

and includes any division, part, constituent person, or agent of a commercial trust.

There is absolutely nothing wrong or of a wicked nature in anything contained in that definition. The Minister himself told us that there are some commercial trusts of a beneficent character, and I wish to bring the Senate to the point that the change in the onus of proof is to be substituted for the ordinary rule of law when the defendant is a commercial trust—that

is to say, in every case where a number of persons act together, whose voting power is controlled or controllable by a board of management. What is there to make a business which is carried on by a board of management worse than the business of an incorporated company? What is there to show that an incorporated company is not entitled to the same protection in law as a private firm?

Senator TRENWITH.—The clause does not deprive an incorporated company of any protection of law, but merely calls upon it, under certain conditions, to prove its innocence.

Senator DRAKE.—It deprives an incorporated company of the protection which is enjoyed by an ordinary individual, who is held to be innocent until he is proved to be guilty—that is the normal protection that every man enjoys under the law.

Senator TRENWITH.—Men are called upon to prove their innocence in certain cases.

Senator DRAKE.—When it is desired to deprive an individual of that protection there has to be a positive enactment in some form or other. In a few cases, such as that of the Customs Act, men are called upon to prove their innocence.

Senator TRENWITH.—There is a special law for special cases.

Senator DRAKE.—It is only done in a few cases, and generally for what are considered to be good and sufficient reasons. The question the Senate has to decide is whether persons who trade together under a board of management are to be held to be of such a suspicious character that it is necessary the onus of proof should be placed upon them. I rose particularly to ask the Senate not to be confused by honorable senators who talk a great deal about the destruction of Australian industries, and of the question of intent. We have been told on the best authority that some trusts are not only harmless, but beneficent, and yet this clause proposes that all trusts shall be held to be guilty until they are proved innocent.

Senator KEATING (Tasmania—Honorary Minister) [3.58].—With all respect, I suggest that Senator Drake has either misread the clause, or has failed to read it in conjunction with other clauses with which it is necessarily related. All this clause purports to do is to provide a definition of "unfair competition," as appearing in the two preceding clauses. The clause

begins, "For the purposes of the last two preceding sections," &c.; and in order to discuss the effect of clause 6 we have necessarily to refer to the two previous clauses to see where the words "unfair competition" are used, and in what connexion.

Senator DRAKE.—That is only in order to see what the charge is going to be, and it does not alter my argument in the slightest.

Senator KEATING.—I am coming to that point. Senator Drake disputes the correctness of honorable senators who have preceded him in referring to paragraph *b* of clause 4 and paragraph *b* of clause 5. But this clause can have no effect, I submit, unless it is read in connexion with paragraph *b* of the two preceding clauses.

Senator DRAKE.—They only state what the man will be charged with. I wanted to know why he should be placed in a different category from an ordinary individual, and it is no answer to me to say that he may be charged with those matters.

Senator KEATING.—If my honorable friend will permit me, I shall read the portion of clause 4 to which clause 6 has relation. Clause 4 says—

1. Any person who, either as principal or as agent, makes or enters into any contract, or is or continues to be a member of or engages in any combination, in relation to trade or commerce with other countries or among the States—

(*b*) with intent to destroy or injure by means of unfair competition any Australian industry the preservation of which is advantageous to the Commonwealth, having due regard to the interests of producers, workers, and consumers,

is guilty of an offence.

Senator MILLEN.—That cannot have been proved at the time when clause 6 will be put into operation.

Senator KEATING.—I think it can. Suppose, for instance, that under paragraph *b* of clause 4, a certain person—who may be a commercial trust—were charged with having contracted or combined with intent to destroy or injure by means of unfair competition any Australian industry, the preservation of which was advantageous to the Commonwealth. Before paragraph *a* of clause 6 could operate, it would be necessary to prove, first, the existence of a combination; secondly, that it was a combination of a particular character coming within the definition of a commercial trust; and, thirdly, competition.

Senator KEATING.—Because the whole question would be unfair competition.

Senator BEST.—The first thing which it would be necessary to prove would be the intent.

Senator KEATING.—Under paragraph *b* of clause 4 it would be necessary to prove that the combination or contractor intended to destroy or injure an industry, the industry which it was intended to be destroyed or injured, and the worth of preserving the industry, having regard to all the circumstances.

Senator DRAKE.—Yes; but the onus of proof is changed.

Senator KEATING.—Yes; and if my honorable friend had confined himself to that, I would not have said that he had misread the clause. Necessarily, it has to be read in conjunction with paragraph *b* of clause 4 or clause 5, because its opening words are "for the purposes of the last two preceding sections." When the authorities were proceeding against some person for the offence created in clause 4 or clause 5, it would not be sufficient to simply bring them before the Court, and say "this is a commercial trust."

Senator DRAKE.—I did not say that.

Senator KEATING.—One honorable senator said that all that the prosecution would have to say would be "This is a commercial trust," and the matter would be done with.

Senator MILLEN.—Only figuratively, because every one is aware that the case will have to be proved in Court.

Senator KEATING.—Senator Drake said that we had not to regard the preceding clause at all. The burden of his argument was that it would be necessary to prove the existence of the commercial trust, and that immediately the whole onus of disproving the offence would fall on that body. That is not so, I submit. The Bill makes it necessary that other things should be proved, namely, the intent to injure or destroy an Australian industry, and the fact that it is one which was worth preserving. The question arises whether they are going to do it by unfair competition or by legitimate competition? If it were a case of a private individual, it would be necessary to prove affirmatively that the competition was unfair. And if it were a trust, as Senator Clemons says, the onus would be thrown upon the trust of disprov-

that difference, and I agree with what Senator Clemons and others have said, that it is quite possible that there may be in existence trusts which are beneficent, but the balance of public advantage requires that in such cases the onus of proof of innocence shall be put upon the defendant. We have to adopt that course in many instances. The reference which has been made to trade unions reminds me that some of the most learned Judges in the United Kingdom have ruled that a single individual may do a certain act, but that if a number of individuals do that act at the same time, and under circumstances that suggested concert, in every instance all those individuals would be liable. Suppose, for example, that a single individual refrains from attending his ordinary employment. His employer might have no cause of complaint against him, and might be able to get even with him by stopping his wages. But suppose that ten or 100 men stopped away. Do not honorable senators know that if those persons were proceeded against in a Court, the onus of proof would not remain under those circumstances in exactly the same position as it would if one individual were proceeded against—and that without any statute law? Here we have to deal with a combination which is formed for either a legitimate or an illegitimate purpose, using the words, "illegitimate purpose" to cover unfair competition calculated to destroy an Australian industry. If the combination was formed for a perfectly legitimate and *bonâ fide* purpose, it would have the means of proving that. If, on the other hand, it was formed not primarily for the purpose of destroying an industry, but, having been formed, and recognising its powers in that direction, it decided to do that, the onus of proof would not be left to the prosecution. If the intent be present, it will be assumed that it was going to effect that destruction by means of unfair competition. I do not think it is a very great burden of proof to put upon a combination of that character. As Senator Drake said, such a definition of "commercial trust" is quite consistent with a combination which is formed for a perfectly innocent purpose, but the balance of public advantage, I repeat, requires that in those cases the combinations, which would have the means of proving their innocence, should be called upon to disprove the unfair competition. When the prosecution has submitted all the

not calling upon defendant to do very much. For those very reasons we differentiate the case of the trust from that of the individual.

Senator CLEMONS.—For what reasons?

Senator KEATING.—For the reasons I gave just now.

Senator DRAKE.—The Minister does not say that the onus of proof is changed in the case of trade unionists.

Senator KEATING.—No; I said that the onus of proof did not lie where it would in the case of a single individual. It is quite sufficient to raise a presumption in the mind of the Court that it was concerted action in the way of a conspiracy. I submit that we are not imposing any hardship upon a combination which is formed for a "legitimate and honest purpose," using that phrase in relation to what we deem an offence under the Bill.

Senator CLEMONS (Tasmania) [4.12].—Without going back to the argument as to what "commercial trust" relates to, or how far it stands isolated in paragraph *a*, we are agreed that in its treatment the case of a commercial trust is separated from that of an individual. For many weary months I have been engaged on a Royal Commission, and I desire to state one of the conclusions I have arrived at with regard to the state of Australian industries, and that is that many industries would to-day be in a much more flourishing position, and that other industries might have been created, if there had been an opportunity to get larger capital. I am perfectly satisfied that industries have stopped because they have been started with insufficient capital. However else we may differentiate a corporation, such as a commercial trust, from an individual, I think it will be agreed that one of the frequent differentiations is that a body of individuals, if formed into a trust or corporation, can command a larger amount of capital under one control than can a single individual. I think it would be a great advantage if capital were to be focussed, or, I might say, if a larger amount of capital could be got together for more than one industry in the Commonwealth. If we put upon a commercial trust a stigma or hardship; if it is treated differently from an individual—and, of course, I assume that it is an honest and fair trust—we shall do harm

intention of paragraph *a* will to a certain extent do harm to Australian industry.

Senator BEST (Victoria) [4.15].—While agreeing with all that Senator Keating has said as to the proper interpretation of the clause, I want to carry the matter even further. In the case of a prosecution under paragraph *a* of clause 5, the onus would be thrown upon the prosecution of proving everything against the commercial trust in the same way as it would have to be proved against a single individual. If, however, it were a prosecution under paragraph *b*, then, notwithstanding what Senator Drake said, the onus would be thrown upon the prosecution of proving that the commercial trust had entered into the contract, or continued a member of the combination, with intent to destroy or injure an Australian industry. It would be necessary, not only to prove the existence of the industry, but also that it was one worth preserving, having regard to the interests of producers, workers, and consumers. In regard to all those things the onus of proof would be cast upon the prosecution.

Senator DRAKE.—No.

Senator BEST.—It would only be in a case of unfair competition that the onus would be thrown upon the commercial trust to prove that it had not done any of those things. A further study of the provision will convince Senator Drake that, before the stage of unfair competition was arrived at, the prosecution would have to prove the intent to destroy an Australian industry.

Senator DRAKE (Queensland) [4.19].—I hope that we are getting a little nearer to the light. I did not intend to assert that the onus of proof was changed with regard to the fact of the persons being a commercial trust. It is perfectly clear that that would have to be proved first by the ordinary method. But as soon as it was proved that the defendant was a commercial trust, the onus of proof would be shifted on to the defendant with regard to the charge that there was unfair competition. The unfair competition is the whole gist of the offence; and it is in respect of that that the onus of proof is shifted. How is intention proved? By acts. The law presumes that a man intends the necessary consequences of his own acts. That is the way in which intent is proved in regard to all the offences of which I have any

knowledge. It is shown by the man having committed acts which necessarily lead to certain results. Otherwise, intention never could be proved. How is intention to murder or to steal established? Simply by proving that the person committed certain acts which led to those results.

Senator PEARCE.—Is it not the kind of act which shows the intent?

Senator DRAKE.—Under this Bill the thing that indicates the intention is the unfair competition. If there is a prosecution against a firm under this Bill, and it is proved to be a commercial trust, then the onus of proof is changed. The firm is charged with bringing goods into Australia and selling them at a price lower than that at which any firm manufacturing similar goods could compete. The thing is to prove that the act is unfair. There are, it is true, some cases in which the onus of proof rests upon the defendant. We have that in the Customs laws and in licensing laws. In nearly all cases that is done where the facts are particularly within the knowledge of the person, and where, therefore, it would be impossible or difficult to obtain a conviction unless the burden of proof of innocence were thrown upon the defendant. But where is the particular reason for that in this Bill? It may be said to lie in the fact that the defendant, in bringing the goods into the country, would know what would be the result upon other people. But it is a most difficult thing to call upon a commercial trust to disprove innocence. Is it a fair thing, in the case of a person who has done nothing else than import goods into Australia, presumably according to law, and has put them upon the market by the ordinary recognised methods, to call upon him to disprove that the competition arising from the sale of his goods will injure other persons, or will injure an Australian industry? What reason is there why the onus of proof should be shifted in this case? If an individual brings in the goods, the ordinary rule of British law is to apply—that he is to be held to be innocent unless proved to be guilty. But if a combination of several firms or persons, working together under a board of management, does the same thing, they are to be held to be guilty until proved to be innocent; and the Bill puts upon them the onus of proving that the introduction of the goods has not been prejudicial to the interests of workers, producers, and consumers.

Senator BEST.—There is nothing in the Bill to prevent a commercial trust from carrying on a fair trade.

Senator PLAYFORD.—The question all turns upon the word "intent."

Senator DRAKE.—No. If a commercial trust is found introducing goods into Australia and selling them in such a way that injury results to producers, workers, and consumers, the trust will be held to have imported those goods with intent. It will be proved that injury has been done, and that there has been unfair competition. Then the law will assume the intent. When the case comes before the Court the question will be: Was the competition fair or unfair? I see no reason why the ordinary course of British law should not be followed, and the persons affected held to be innocent until proved to be guilty. That is to say, the competition should be held to be fair unless the prosecution shows that it is unfair.

Senator MILLEN (New South Wales) [4.27].—If the utterances to which we have recently listened mean anything, they mean that the retention of the words under discussion is going to have a great deal to do with the proof of intent. We have heard something about the proper reading of clause 5. I ask honorable senators to allow me to alter the wording of that clause slightly, and to see whether we shall be warranted in allowing clause 6 to pass as it stands. In clause 6 it is proposed that the mere fact of the defendant being a commercial trust is to be proof of unfair competition. That being so, we can read paragraph *b* of clause 5 in this way:—

With intent to destroy or injure by being a commercial trust.

In clause 6 we say that "unfair competition" and "commercial trust" are interchangeable terms; that if the defendant is a commercial trust he is necessarily guilty of unfair competition. How is intent going to be proved? If it is to be decided in any other way than by judging of the whole of the acts surrounding the conduct complained of, it can only be done by an assumption that no Court would justify. It would have to be decided upon the acts. What would be the act of the defendant in this case? The very fact that he is a commercial trust, an importer entering into an agreement with a firm in England or America for the importation of goods, would bring him within the four corners of this Bill. There is no commercial man in

Australia who does business outside Australia who could not be brought within the measure. How would the Minister like to be brought under a law of this kind? Suppose he were charged with the worst crime that we know—that of murder. How would he like to be held to be guilty unless he proved his own innocence?

Senator PLAYFORD.—I think I could easily prove my innocence.

Senator MILLEN.—What right have we to say that we will throw upon merchants the onus of proving their innocence in this manner?

Senator PLAYFORD. — Many civilized nations do it—the French, for instance.

Senator MILLEN.—I have already pointed out that this is a principle adopted by certain continental countries, and that it is only of recent years that it has crept into our legislation. As I have said before, as an agreement in itself constitutes a trust under this Bill, it means that there is no one in Australia doing business with firms outside of Australia under agreement who would not be brought within the four corners of the measure. I go further, and say that, as clause 6 stands, we are going to make the act of being a commercial trust *prima facie* evidence of intent to destroy or injure an Australian industry. It is not a question of unfair competition at all. The mere fact of being a commercial trust in itself is sufficient to bring the defendant within the scope of the measure, and that is one of the things which the prosecution would rely upon for the purpose of showing intent.

Senator BEST.—Does the honorable senator say that if a commercial trust entered into an agreement that would be an offence? I say that it would not.

Senator MILLEN. — My honorable friend asks me whether the mere fact of having entered into an agreement would be an offence. I do not think that it would; but I venture to say that if my honorable friend were prosecuting for the Crown he would point out that the fact that the defendant was a commercial trust was one of the things proving intent.

Senator BEST.—Oh, no. The intent would have to be proved.

Senator MILLEN.—In every case that comes before a Criminal Court it has to be proved, and how is it proved, except by circumstantial evidence? It is true that in a few cases documents are obtained which partly establish the guilt of the accused.

Senator BEST.—It would be outrageous to say that a commercial trust could not enter into an agreement innocently. It would be held to be innocent until the intent was proved.

Senator MILLEN.—The Bill says, in clause 6, that one of two things has to be proved. The prosecution can take its choice. It can prove that the defendant is a commercial trust, in which case the prosecution need not bother itself as to whether the competition is detrimental to Australian industry or not. Or it can prove that the competition is detrimental to Australian industry. In all probability the prosecution would take the line of least resistance. It might find considerable difficulty in demonstrating that the defendants knew that their competition was detrimental to Australian industry. The prosecution would, therefore, in all probability, rely upon proof that the defendant was a commercial trust. I venture to say that if Senator Best were engaged in a prosecution of this kind he would urge upon the Court that the mere fact that the defendant was a commercial trust, and that the history of trusts showed that they were injurious and were formed for the purpose of extortion from the people, was sufficient to justify the Court in upholding his contention that intent existed.

Senator BEST.—The Court would not listen to me. It would say, "You have to prove the intent."

Senator MILLEN.—How would the honorable senator prove intent?

Senator BEST.—That is not involved at the present time.

Senator MILLEN.—But it is. My honorable friend continually falls back upon that point.

Senator BEST.—Intent would be proved sometimes by correspondence, sometimes by previous misconduct, and in some cases circumstantial evidence would be relied upon.

Senator MILLEN.—It would be all circumstantial evidence. If the trusts are as wicked as Senator Best makes them out to be, I decline to believe that they will be parties to elaborate documents, which, on the face of them, will prove that they are trusts which are likely to be detrimental to the public. They would not work in that way; it would only be by their acts that the prosecution would be able to prove intent. I am afraid, however, that there is not much chance of amending this clause. I draw attention to the fact that whilst a

great deal has been said against the argument for striking out the words in question, I have not heard a single argument in favour of retaining them.

Senator TRENWITH (Victoria) [4.39].—Senator Drake has urged that we should adopt a different course in this connexion than is adopted in reference to regulating the proceedings of individuals. He said that the principle that the Court should hold a person to be innocent unless proved to be guilty has been departed from in some instances. That is, where the persons charged are the only persons possessed of the facts, and clearly that is a case in point. Persons would be engaged in competition. We have to prove undoubtedly that the competition entered into is prejudicial to an Australian industry. Suppose we go no further than a trust which is likely to disorganize and injure a trade. This being a commercial trust, it is assumed that the competition is unfair unless the contrary is proved. That is very much further than the clause goes. But, suppose we go that far; in such a case, who is in a better position to prove the contrary as to the unfairness of the competition than the persons who have the control and the knowledge of all the factors in connexion with the business? Let us turn for an illustration to the harvester industry. It is declared that the competition in that industry is unfair, and is, in fact, destroying the Australian harvester trade. Let us assume we have proof to that effect.

Senator DRAKE.—But that is what has not to be proved under the clause.

Senator TRENWITH.—There must be proof to the effect that the competition is disorganizing an Australian industry, and then the commercial trust has to prove that the competition is not unfair.

Senator DRAKE. — Does the honorable senator not think that the Crown will have all the facts necessary to prove the unfairness of the competition?

Senator TRENWITH.—No. The honorable senator is aware that there are many things about which we feel perfectly confident, but in regard to which it is difficult, if not impossible, to produce what is called legal evidence. Only the parties concerned, who know all the details of cost and so forth, are in a position to supply the necessary proof.

Senator CLEMONS.—Could a private individual not do so as well?

Senator TRENWITH. — We are now dealing with commercial trusts—with institutions which we have a right to assume are baneful until they are proved to be beneficial, or not harmful. The general history of trusts is that they are baneful; and that supplies a reason for this clause. A trust would be in possession of legal evidence to prove the cost of construction and so forth, and would, therefore, be able to show, if the fact were so, that the price at which it was selling, although much lower than that at which Australian manufacturers could produce, was a fair price, having in view the circumstances of the production. If that proof were forthcoming, then no evil consequences could accrue under the Bill.

Senator CLEMONS.—An individual proprietor would surely know his business just as well?

Senator TRENWITH. — Quite so, but we are not dealing with individuals. We are dealing with institutions, which, I may almost say, are invariably calculated to be baneful in their operations.

Senator MILLEN.—The honorable senator says the same thing about individuals when they are importers.

Senator TRENWITH.—I do not; I would take steps to prevent individuals importing, but importers are decent fellows all the same, whereas commercial trusts are combinations for the purpose of securing the control of trade to the detriment of the public generally. There are instances that can be cited where tentatively—and, I venture to say, only tentatively — trusts are beneficent or unobjectionable for a time; but the invariable tendency is for trusts, as they acquire strength, to use their power to the prejudice of the general public. It is because we are dealing with a special kind of danger that we have to adopt a special method of procedure.

Senator DRAKE.—That is a very unsound reason for changing the onus of proof.

Senator TRENWITH.—At any rate, I think we have discussed the matter sufficiently.

Senator GUTHRIE.—Will the honorable senator give us instances in which trusts have been detrimental?

Senator TRENWITH.—I have already given one instance.

Senator GUTHRIE.—Give us two or three others?

Senator TRENWITH.—One instance is sufficient for my purpose. If Senator

Guthrie is not convinced by the arguments adduced, he will vote according to his convictions, and if he is aware of more instances, he will doubtless cite them.

Senator DRAKE.—Senator Trenwith's reason for shifting the onus of proof is that trusts are generally baneful to the general public?

Senator TRENWITH.—Exactly. We have innumerable instances, and particularly the one I have quoted, of the baneful effects of commercial trusts. The American Harvester Trust is said, with very great justification, to be only a branch of the Standard Oil Trust, the Beef Trust, the Steel Trust—the trust which, under a hundred and one aliases, monopolizes and controls, as far as it can, the trade of the world. In connexion with oil, the trade of the world is absolutely controlled by one of the combines, which, in its early stages, was undoubtedly beneficent. That trust merged all the separate and costly managements under one head, and thereby reduced the cost of production, and was enabled to sell cheaply. But it is notorious that that trust can raise the price whenever it chooses; and the probability is that, when one of the branches of the trust is working to destroy an industry, it secures the funds to do so by slightly raising the price of some commodity controlled by another branch—public money is used for the destruction of the industry. I have no doubt that in the harvester industry—

Senator CLEMONS.—Surely it is a little too soon to go into the harvester question.

Senator TRENWITH.—That is a very important consideration which has led to the introduction of this question now.

Senator MILLEN.—Is it not the prime moving factor?

Senator TRENWITH.—I think it is one very important factor—possibly the prime moving factor. If Senator Millen desires, there can be no objection to his holding the opinion that, if it had not been for that specially violent, vigorous attack by the foreign trusts, we should not, perhaps, have had this measure at this juncture.

Senator PULSFORD.—The attack does not exist.

Senator TRENWITH.—That must only be a matter of opinion.

Senator CLEMONS.—The victim of the attack is making £20,000 a year!

Senator PULSFORD.—It is said to be £30,000 a year.

Senator TRENWITH.—I do not know that it is an offence to make £20,000 a year, if at the same time an advantage is conferred on the community. To some honorable senators it would appear to be an offence for an Australian to make a decent living, while it is meritorious for an exploiter abroad to realize large sums of money.

Senator GUTHRIE.—Why not confine the Bill to the anti-dumping clauses?

Senator TRENWITH.—Because it is just as possible for a baneful combination to be formed inside Australia as outside Australia. While we are dealing with one phase of the question, it seems to me only wise and proper to deal with the whole question.

Senator GUTHRIE.—Does the honorable senator know of any baneful combination in Australia?

Senator TRENWITH.—Honorable senators are drawing me into what is really a second-reading speech, and my desire is to deal with the clause before us. I have pointed out what I consider to be very strong reasons for throwing the onus of proof on the suspected parties. Under the Bill, the Crown has to prove several important facts; but in regard to the question on which the defendant must have the fullest possible knowledge, the onus is thrown upon him, as the representative of institutions, which, in the main, have been found to be baneful and dangerous.

Senator DOBSON (Tasmania) [4.51].—I desire to say a few words in regard to the challenge thrown out by Senator Millen. Why is it that we are engaged in passing anti-trust legislation? Although this Bill has a long, and, in my opinion, very erroneous title, it is really an anti-trust Bill—a Bill to regulate and control trusts. While we all admit that there are beneficent trusts, most of us also admit that the great bulk of trusts are formed on selfish grounds in restraint of trade, with the object of doing away with competition, and raising prices to the detriment of the public, and the enrichment of the few. A case has been made out in America, and in England, and, in a degree, in Australia, for, to some slight extent, placing the trusts on a different footing from individuals. I do not think that Senator Drake is quite right when he asks, "Why change the onus of proof?" We do not change the onus of proof except in one particular.

Senator MILLEN.—Why in one particular?

Senator DOBSON.—I take it that Senator Keating laid down correctly what will have to be proved if a case is brought into Court. I think I spoke practically to the same effect in my second-reading speech. It will have to be proved that a defendant has entered into a contract or combination, and, secondly, that he has entered into that contract with the intention to destroy or injure an Australian industry by means of unfair competition. In proof of the intention, some evidence will have to be given, and, I presume, it will be to show that workers have been dismissed, or that a factory has been closed.

Senator MILLEN.—Not if it is a commercial trust.

Senator DOBSON.—It is only when proof is required as to whether the competition is unfair that the onus is changed, and the defendant is called upon to show that it is not unfair. Senator Drake admits that the plaintiff, whoever he may be, will have to prove the intent to destroy an industry. How could that be proved without evidence?

Senator DRAKE.—By means of the unfair competition.

Senator DOBSON.—The plaintiff has to prove the intent, but the defendant has to prove, if he can, that the competition is not unfair. Let me give a concrete example. The plaintiff may prove that, in consequence of the competition, a factory has been closed, or that some workmen in another factory have had their wages reduced. It might be said that that was not the result of unfair competition, but was due, perhaps, to better machinery and methods in America or England. At this point, the clause would come into operation, and the defendant would be told that, because he was a trust, which the Bill is intended to control and regulate, no time would be wasted, and that the onus was on him to prove that the competition was not unfair. That is my reading of the clause, and, therefore, I must vote for the retention of paragraph *a*.

Senator PULSFORD (New South Wales) [4.57].—I am sorry to deprive Senator McGregor of the pleasure he seemed to anticipate a little while ago, when he evidently thought that there was some prospect of myself being proceeded against under this clause.

Senator MCGREGOR.—I should regret the circumstances very much.

Senator PULSFORD.—I ought to have explained before that the agreement to which I referred lapsed about a year ago, and that at the present moment I am interested in no agreement of the description, and, therefore, shall be under no liability under the measure before us. But my knowledge of many similar agreements enables me to afford some information which, if the Committee were inclined to deliberate and judge the question, as it should, from the right standard, might be accepted. Senator Dobson, like one or two other honorable senators, assumes that nearly all trusts are great and evil trusts.

Senator DOBSON.—What is the reason for the Bill if most of them are not?

Senator PULSFORD.—The honorable senator overlooks the sweeping interpretation of "commercial trust" in clause 3. That definition is not taken from any other Act in operation elsewhere, but has been manufactured here, and is drawn in such a way as to include every possible form of what are merely commercial agreements. Any agreement of the kind, however innocent, will at once constitute a "commercial trust." For every trust of a great and iniquitous character, there are, I suppose, 100 or 200 trusts which are entirely innocent and beneficent in their operations.

Senator DOBSON.—If those trusts do not destroy or injure industries they will not come under the Bill.

Senator PULSFORD. — Why should hundreds, or even scores, of people be deemed guilty of unfair practices when, admittedly, they are not guilty of anything of the sort? That is the point which supporters of the clause are carefully and persistently ignoring. There is no doubt that the clause would be equally as strong without these words, and that innocent and necessary agreements amongst traders would be excluded.

Question—That paragraph *a* be left out—put. The Committee divided.

Ayes	7
Noes	15

Majority	8
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AYES.

Baker, Sir R. C.
Drake, J. G.
Macfarlane, J.
Millen, E. D.

Pulsford, E.
Smith, M. S. C.
Teller,
Clemons, J. S.

NOES.

Best, R. W.
Croft, J. W.
de Largie, H.
Findley, E.
Givens, T.
Guthrie, R. S.
Higgs, W. G.
Keating, J. H.

McGregor, G.
O'Keefe, D. J.
Pearce, G. F.
Story, W. H.
Styles, J.
Turley, H.
Teller:
Henderson, G.

PAIRS.

Neild, J. C.
Symon, Sir J. H.
Mulcahy, E.
Gould, A. J.

Dawson, A.
Playford, T.
Stewart, J. C.
Trenwith, W. A.

Question so resolved in the negative.

Amendment negatived.

Senator MILLEN (New South Wales) [5.5].—We all know that the word "the" in the expression "the Australian industry," in paragraph *b*, is pointing to a particular industry. I take it that the object is to make the provision apply to any Australian industry which is threatened, and, therefore, I move—

• That the following words be added to paragraph *b* of sub-clause 1 :—"intended to be destroyed or injured."

I do not think it necessary to discuss the amendment which I move, because, in my opinion, to refer to "the Australian industry" is the crudest possible way of expressing what we want to do. The words I propose to add to paragraph *b* are taken from other portions of the Bill, and indicate that the industry referred to therein is one which it is alleged is being injured.

Senator KEATING (Tasmania—Honorary Minister) [5.6].—I would remind the Committee that paragraph *b* of clause 6 is still governed by the opening words, "For the purposes of the last two preceding sections."

Senator CLEMONS.—It would be much better to use the words "any such Australian industry." It is bad drafting to say "the Australian industry."

Senator KEATING.—I think not.

Senator BEST.—It would be a mistake to add the words, because it would cut down the provision.

Senator KEATING.—I think it is better to retain the words "the Australian industry."

Senator CLEMONS.—Why not add the words "affected by the competition"?

Senator KEATING.—I think it is better not to alter the paragraph at all.

Senator CLEMONS.—Those words are used in sub-clause 2 of clause 6. It is bad drafting to use the words in one sub-clause and not in the other.

Senator KEATING.—"The Australian industry" is sufficiently clearly referred to in paragraph *b* of the two preceding clauses, and there is nothing to be gained by making the amendment.

Amendment negatived.

Senator BEST (Victoria) [5.12].—I move—

That the following new paragraph be added to sub-clause 1 :—

"(d) If the defendant, with respect to any goods or services which are the subject of the competition, gives, offers, or promises to any person any rebate, refund, discount, or reward upon condition that that person deals, or in consideration of that person having dealt, with the defendant to the exclusion of other persons dealing in similar goods or services."

The object of the amendment is to deal with an illegitimate practice on the part of some trusts and combinations in paying conditional or preferential rebates, with a view to crush competition, and thus secure as far as possible a complete monopoly; in other words, to put the public wholly at their mercy. It is one of the most potent weapons which are used by trusts throughout America. In various Acts very strong efforts have been made for the purpose of putting an end to this system of preferential rebates. I am free to admit that it is chiefly injurious in connexion with matters of transport, which, fortunately in Australia are under the control of the States. According to the first memorandum on Anti-Trust Legislation, there is a special effort made in the Elkin Act to deal with the subject of rebates. It says—

This Act is supplemental to the Commerce Act with respect to the publicity of tariff rates and charges, and also declares rebates, drawbacks, and unjust discrimination unlawful; increases the powers of the Inter-State Commerce Commission in regard to the institution of proceeding or obtaining evidence as well against carriers for the practice of unjust discrimination as against all persons receiving rebates, and extends the jurisdiction of the Federal Courts in cases brought to enforce criminal proceedings by declaring that violations of the Commerce Act or the Elkin Act may be prosecuted "within the district in which such violation was committed, or through which the transportation may have been conducted."

Summarizing briefly the provisions of the sections of the Act separately, section 1 provides that default on part of corporation common carrier, which, if made by officer thereof, would constitute a misdemeanour, shall be deemed a

misdeemeanour committed by the corporation, and punishable accordingly by pecuniary penalties, making in express terms the carrier corporation liable, as well as its officials and agents; that the wilful failure of any carrier to publish tariff rates or to observe legally fixed tariff rates until changed by law is a misdemeanour, punishable by heavy pecuniary penalties, it being declared unlawful for any person or corporation to offer, grant, give, or to solicit, accept, or receive any rebate, concession, or discrimination in respect to the transportation of any property in Inter-State or foreign commerce.

Although it is made chiefly the subject of legislation, so far as transportation is concerned, yet the very same principle is involved in trading operations within Australia. It is all very well for some persons to say that the effect is that the consumer is now getting, I will say, his oil very cheaply. But the fact remains that, if by this system of rebates which we know is largely practised, a monopoly could be secured, the public would be placed at the mercy of the Standard Oil Trust. Obviously it is a mere sprat to catch a mackarel. The Standard Oil Trust is, perhaps, more a culprit than are others. It seems to trade in various countries under different names. In Victoria, for instance, it trades under the name of the Colonial Oil Company, which, I may add, controls the White Rose brand of kerosene. There is another company formed for the purpose of dealing in lubricating oils, and by means of these devious methods, carried on in this octopus-like fashion, a very large proportion of the Australian trade in oil is secured to the Standard Oil Trust. The system which is practised can be best illustrated, perhaps, by quoting one or two papers which have been issued by the Colonial Oil Company. It supplies the oil to the wholesale merchant, to whom a rebate of 1d. per gallon is allowed, and an additional rebate of ½d. per gallon is allowed to the retailer, conditionally upon the Colonial Oil Company getting the whole of his trade.

Senator GUTHRIE.—Does not that condition apply to the first rebate of 1d. per gallon?

Senator BEST.—That is allowed to the wholesale distributor.

Senator PEARCE.—Is that allowed conditionally, too.

Senator BEST.—The agreement reads as follows:—

We hereby solemnly certify and declare that during the three months ending . . . we have not bought, sold, or taken orders for any kerosene other than that purchased from the Colonial Oil Co. (with the exception of oil . . . Standard Oil Co.'s manufacture, which

may have been in stock or bought to arrive before we commenced dealing with you), and that our sales of oil bought from you have all been at the prices paid to you from time to time, neither more nor less, except that we have allowed discount for cash, viz., 3 per cent. in seven days, or ½ per cent. usual terms, and delivered free of cartage to buyers. On all sales made for delivery at points outside of Melbourne and for suburbs, the railage or cartage has to be added to Melbourne price.

We also further certify and declare that we have not, during the period named, sold for export any of the oil purchased from you, except to Riverina districts.

As witness our hands this day of 1906.

Having secured the wholesale merchant, the latter has, in some instances, the shopkeeper under his thumb. At any rate, in order to gain the rebate, a shopkeeper has to trade exclusively in the oil of the Colonial Oil Company; in fact, it would be quite a crime on his part to attempt to deal in any other brand.

Senator GUTHRIE.—Suppose that the British Imperial Oil Company were able to supply oil at a lower price?

Senator BEST.—Then the oil of that company alone would have to be sold by the shopkeeper, because he could not secure a supply of White Rose kerosene. If a shopkeeper were asked for that brand, and were unable to supply it, naturally the customer would be driven to the shopkeeper who did deal in that brand alone. On the 1st March the Colonial Oil Company issued the following circular letter to shopkeepers:—

Colonial Oil Co.,
Equitable Building,
Melbourne, 1st March, 1906.

Mr. A. B., Fitzroy,

Dear Sir,—We enclose declaration form covering your purchases of "White Rose" during the six months ending 28th February, 1906. If you have neither bought nor sold any other than American "White Rose" kerosene during this period, will you please sign accordingly, and return the form to us at your earliest convenience.

Yours very truly,
COLONIAL OIL COMPANY.

The declaration which has to be made reads as follows:—

We hereby declare that we have neither bought nor sold any other than American "White Rose" kerosene during the six months ending 31st August, 1905 . . .

. . . our purchases of "White Rose" being . . . cases, made on the following dates.

(Signed)

Address.

Please pay the sum due under this declaration to . . . for our account.

Date . . . from whom purchased . . . cases.

COLONIAL OIL COMPANY.

The Standard Oil Company does not supply directly to the shopkeeper, but only to the merchant, who, of course, is the distributing agent. But that shopkeeper must get his oil from the wholesale distributing man. For some reason or other, the $\frac{1}{2}$ d. rebate has to be secured by the retailer from the wholesale merchant.

Senator MILLEN.—The honorable senator was hardly correct in construing that footnote as being obligatory. It may be there as a suggestion only.

Senator BEST.—I am told that what I have stated is the practice.

Senator MILLEN.—There is no intimation that the rebate will not be paid in any other way.

Senator BEST.—So far as my information goes, the company will not pay directly to the storekeeper. The rebate has to be paid through the wholesale distributing houses. That is the information conveyed to me. I have a particular case where an unfortunate shopkeeper committed the crime of dealing with another oil company. The following letter is signed by A. K. Oak-Rhind, assistant manager, and is sent to A.B., Fitzroy:—

We have your declaration form, with memorandum thereon, but regret that we cannot allow you the $\frac{1}{2}$ d. rebate in justice to other traders who only sell "White Rose" kerosene.

We are quite unable to prevent retailers cutting our price of "White Rose" kerosene, although it is always a mystery to us why retailers do not sell "White Rose" kerosene, so as to give them a reasonable profit. People must have "White Rose" kerosene, and it requires no selling; it is well-known everywhere. We quite appreciate that you wish to do the same in self-defence, and only wish we could get all the retailers to sell "White Rose" kerosene at a reasonable figure.

The fact is shown there that if the shopkeeper attempts to sell any but White Rose kerosene he is not allowed the privilege of the $\frac{1}{2}$ d. rebate. I have reason to think, from investigation which I have made, and from information supplied to me, that this practice is injuring to a serious, if not an alarming, extent, a very excellent industry that has been established in our own midst by the British Imperial Oil Company. This company imports in bulk, and has done so for some little time past. In extending its factories, and laying down bulky installations, it has spent something like £100,000. It pays in wages in Australia about £25,000 per annum. But the company finds that it is quite impossible to compete against the Standard Oil Company with any degree of satisfac-

tion to itself or its workmen if these illegitimate methods of trade to which I have referred are practised.

Senator FINDLEY.—I doubt whether the British Imperial Oil Company would be able to compete in any circumstances.

Senator BEST.—Its chance of doing so is decreased if the trading to which I have referred is permitted. The British Imperial Company does not seek for any preference, or any assistance. All that it asks is that fair trading should be insisted upon. If that is done it is prepared to take its chance.

Senator STANFORTH SMITH. — Where does its oil come from?

Senator BEST.—From Borneo. I have briefly stated the facts which prompt me to move the clause under discussion. Having regard to the American experience, and to the fact that the only aim and object of this illegitimate trading is to capture the market, crush out opposition, and so hold the public at the mercy of this octopus trust, we are justified in passing the amendment which I have proposed, with the view of giving a permanent industry of our own a fair show.

Senator DE LARGIE (Western Australia) [5.26].—It will be within the memory of the Committee that, in the course of the second-reading debate, I drew attention to the rebate system which obtains in regard to our Inter-State shipping. I have an amendment in print dealing with the matter, but Senator Best's is much more comprehensive than mine, and if his is carried I shall not proceed with that of which I have given notice. During the debate Senator Guthrie quoted at great length the freight rates that prevailed amongst the Inter-State shipping on the Australian coast. When I spoke I complained more against the rebate system than against the freights. As a matter of fact, the freights are high. They are higher for carrying cargo from Melbourne to Fremantle than for carrying cargo from Melbourne to London. But no doubt the freights from Melbourne to Fremantle are high because the vessels do not get very much back-loading from the West.

Senator GUTHRIE.—I said that I did not intend to quote ocean freights as against coastal freights.

Senator DE LARGIE. — I quite agree that there is a great deal in Senator Guthrie's contention that sea freights are less for similar distances than coastal

freights, because the vessels doing ocean trade can get cargoes at both ends. But, notwithstanding that fault can be found with the freights that obtain on the Australian coast. A good case could be made out against them; but my contention is especially against the system that obtains. That system is unfair both to shippers and purchasers, and it is also unfair to other ship-owners who have hitherto enjoyed a share of the trade.

Senator GUTHRIE.—Do those other ship-owners employ white labour?

Senator DE LARGIE. — I think that Senator Guthrie will admit that the companies doing coastal trade outside the shipping ring do employ white labour.

Senator GUTHRIE.—No, they do not.

Senator DE LARGIE.—It is news to me to learn that the companies outside the shipping ring—Scott, Fell, and Co., for instance—employ black labour. Whilst I am not going to say anything about the freights that are charged—

Senator GUTHRIE. — Because the honorable senator cannot. I defy him and challenge him to disprove my figures.

Senator DE LARGIE.—The amendment of which I have given notice has regard to rebates. The rebate system, as has been pointed out by some of the witnesses before the Navigation Commission, has in some cases increased freight rates by 30 per cent. One of the witnesses actually said that the rebate system was just like a pistol held at the heads of the merchants. In my speech on the second reading, I quoted from the evidence of merchants and ship-owners to show that they were crushed out of the trade of Australia, more particularly on the Western Australian coast, by the rebate system. I should like to read to the Committee the finding of the Navigation Commission on the question of rebates. I think that even Senator Guthrie ought to be convinced when he remembers that he put his name to the report.

Senator GUTHRIE. — Let the honorable senator read the minutes.

Senator DE LARGIE. — If Senator Guthrie, even after making a protest, signed the report, it is hard to understand which side he is on. Certainly his name appears at the foot of the report, which is the finding of a body that gave a considerable amount of attention to this matter. What I shall quote is not the mere assertion of a person who gets up to support an

amendment, but the finding of a Royal Commission, which certainly deserves attention—

Upon the point that the limitation of the coastal trade to vessels complying with Australian conditions would result in a monopoly, a considerable amount of evidence was received. It was freely stated that a combine does already exist, by which the rates for passengers and cargo carried by the companies in the Steam-ship Owners' Federation are regulated. Its extent may be gauged from the fact that out of about 188,000 tons engaged in Inter-State traffic, less than 10,000 are outside the ring. It would appear that the combine has been in operation for some time, and complaints of a very strong and emphatic character were received as to its methods.

It seems to be the practice to make rebates to shippers who deal exclusively with the members of the Federation. The extent and the manner in which this practice operates is set forth by the witnesses, Messrs. Alexander, McPherson, McLennan, and others. The witness, Mr. McLennan, occupies an exceptional position. He is the present representative of the chief ship-owners outside the Federation, yet whilst director of one of the companies within the Federation, he assisted to draft the rebate scheme. It may be taken for granted, therefore, that his information is reliable, and, in the main, it was not contradicted by Mr. Grayson, secretary of the Federation.

Mr. McPherson, a member of the Council of the Chamber of Commerce of Melbourne, and Mr. Alexander, Chamber of Commerce, Fremantle, gave evidence in accord with that given by Mr. McLennan. The method pursued in connexion with the granting of rebates would appear to be open to some criticism. An undertaking has to be given that the shipper, neither by himself nor through his agent, will send or receive any goods other than by the vessels of the Federation. According to the evidence of Messrs. McLennan, Alexander, McPherson, and others, this is rigidly enforced, any departure from the agreement involving the forfeiture of the whole of the rebates on the year's transactions. Mr. McPherson gave an instance of how this worked out in his own case:—

"In 1903, when I had 300 tons of iron to ship to Fremantle, I went to the shipping people to learn the rate of freight. They held a meeting, and then they gave me a quotation. They said—'You will have to pay 18s. a ton now, but in twelve months' time, if you confine all your shipments to the ports of the north and the west to the companies within the ring, we will grant you a rebate of 20 per cent.' In other words, I had to leave with them a hostage of 3s. 6d. a ton on the 300 tons, and let it stay in their hands for twelve months. Had I not agreed to confine all my shipments to the association, I should have had to charge 18s. a ton for the freight of the iron, and probably I should have lost the business."

The report goes on to say—

This statement was fully corroborated by other witnesses. It would seem that to commit a breach of this undertaking, it is not even necessary for the person to whom the goods are consigned to authorize shipment on any vessel outside the

recognition, the fact that they were so equipped with or without his knowledge, is sufficient to involve the forfeiture of the rebates in hand, both on account of the shipper and the consignee. The following articles of the combine were put in by Mr. McLennan :—

Acts which constitute breaches of bonus regulations :—

Accrued bonuses become forfeited under the following conditions :— Through a company, firm, or individual shipping or otherwise receiving cargo, directly or indirectly, by any other vessels than those owned or chartered by the associated companies. It is distinctly understood that any company, or firm, or individual, who may ship or receive cargo by any outside vessel, although it does not pay the freight to that outside vessel, becomes disqualified under the above clauses.

That is pretty comprehensive. Then the report goes on—

In the case of a company, firm, or individual carrying on business as general carriers, and acting under instructions merely as general cargo carriers, with no control over the purchase, sale, or shipment of the goods, then that carrier is exempt.

Further the report says—

There is a note with regard to that. It says :—

If a firm of carriers ship or receive cargo by outside vessels, that fact at once disqualifies them, but should they prove to the Bonus Committee that they had no control over the purchase, sale, or shipping of goods, then the above clauses will enable local committees to add their name to the bonus list without having first to cancel their name and get the authority of the central committee to re-instate them on the bonus list.

That the transactions of the combine in this connexion are very large, may be judged from the statement of Mr. McLennan that "There must be in the hands of the Associated Steamship Companies at the present time about £60,000 of these accrued bonuses which they pay out to the shippers; it cannot be less." He added that of this from 20 to 25 per cent. is either forfeited through breaches of rules or unclaimed.

This part of the report concludes—

As your Commissioners consider that the rebate system is open to grave abuses, and calculated to seriously prejudice the commercial and industrial interests of the Commonwealth, they recommend the introduction of legislation at an early date, making it illegal for the owners, master, or agent of any vessel to give rebates or other advantages to any shipper or consignee of goods, if the condition of such rebates are advantageous, is that there shall be exclusive shipment by a certain vessel or vessels.

It would seem as if the Government had introduced this measure in accordance with the findings of the Navigation Commission. As the Bill stands at present, however, I

do not think the clauses are sufficient to deal with the rebate system; and, therefore, the amendment submitted by Senator Best is necessary in order to bring that ve injurious system within its scope.

Senator MILLEN (New South Wales [5.41].—I can hardly allow the occasion pass without expressing my sense of pleasure that Senator Best is at last convinced that the Bill is open to improvement. With the amendment, and with the author of the amendment, so far as he intends it to go, I am entirely in agreement. But I ask whether the proposed new paragraph may not injuriously affect a class of cases with which, I am sure, Senator Best does not desire to interfere. During the debate on the second reading I referred to a contract which had just been entered into in one of the dairying districts of New South Wales, by which an individual had undertaken to establish a dairying factory conditionally on the dairymen insuring him the whole of the trade for a given term. That could in sense be regarded as an injurious undertaking; because it was the only possible way the dairy-farmers there had of getting a capitalist to establish a factory.

Senator GIVENS.—Would the Bill apply to an industry localized in that way?

Senator MILLEN.—The industry was not localized, because the agreement covered the export of the butter manufactured at the projected factory. I mention this case because I am quite certain the honorable senator would desire to bring an arrangement of so innocent and beneficial a character within the compass of this legislation. It appears to me, however, that there is a possibility of this class of cases being brought within the suggested new paragraph.

Senator STANFORTH SMITH.—The proposed new paragraph is governed by clauses 4 and 5.

Senator MILLEN.—Clauses 4 and 5 deal, of course, more particularly with restraint of trade.

Senator STANFORTH SMITH.—And without intent.

Senator MILLEN.—The first paragraph of clause 4 speaks of restraint of trade and it has been held, where legislation of this kind has been attempted, that to tie a man so that he can only trade with one individual or firm is a restraint of trade. In paragraph a of clause 4 there is no reference to the possible injury of any other

to restraint of trade; and I do not think there can be the slightest doubt that the class of cases I have cited could be shown, technically at least, to come within clause 4. Under the proposed new paragraph we are asked to go a little further; and I am entirely in favour of the spirit of the amendment so far as it applies to the injurious contracts or arrangements referred to. I do not propose at this stage to call for a division on the amendment, because, as I say, I am in favour of its general spirit, but I ask the Government, if they have not already done so, to obtain the advice of the Attorney-General as to whether the class of cases I have mentioned—which, I am sure, the Government do not desire to interfere with—would be brought within the penal provisions of the clause. If that be so, I ask the Government, after consultation with the Attorney-General, to consider whether some addition cannot be made so as to exempt innocent and beneficial agreements of the kind.

Senator GUTHRIE (South Australia) [5.45].—Senator de Largie, in his remarks, deliberately—and I say this without hesitation—hid, to a considerable extent, the findings of the Navigation Commission. The honorable senator knows perfectly well that I signed that report only on the condition that rebates should be abolished if the coastal shipping companies of Australia got control of the trade. I ask the honorable senator whether that is not a fact. The honorable senator is silent, and silence gives consent; and yet the honorable senator has misrepresented me in this connexion. I signed that report, as the minutes will show, on the condition that only those shipping companies which complied with Australian labour conditions should have the right to trade on the coast.

Senator DE LARGIE.—What has all this to do with the rebate question?

Senator GUTHRIE.—It has everything to do with the rebate question.

Senator DE LARGIE.—Nonsense! The honorable senator does not know what he is talking about when he talks such trash!

Senator GUTHRIE.—The honorable senator talks nothing but trash.

The CHAIRMAN.—Order.

Senator GUTHRIE.—Are you calling me to order, Mr. Chairman.

The CHAIRMAN.—I think that the language used between the honorable senators is not quite in order, and I hope that

nearly as possible to the clause.

Senator GUTHRIE.—The position is this: that Australian registered companies pay rates of wages which are consistent with Australian living.

Senator DE LARGIE.—I am obliged to appeal to you, Mr. Chairman, on a point of order. Does the present amendment deal with rates of wages on the coast? Has the amendment anything to do with the conditions of employment on our ships?

Senator MILLEN.—This amendment proposes to deal with rebates, and I understand that it is alleged that shipping proprietors, who trade on the coast, are in the habit of allowing rebates. Some quotations have been made from a document, with which I am not familiar, in support of that allegation, and with a view to proving the advantage of adopting the proposed amendment. I understand that now Senator Guthrie wishes to refer to that document with a view to showing that the facts on which Senator de Largie relied in support of the amendment, and the argument drawn therefrom, are not substantiated. So far as I can understand Senator Guthrie, I think that up to the present he has been quite relevant.

The CHAIRMAN.—Senator Guthrie may argue that a system of rebates would enable a shipping company to pay a high rate of wages, and I do not feel disposed to rule the honorable senator out of order.

Senator GUTHRIE.—When the point of order was raised I was dealing with the question of whether rebates were for the benefit of Australian labour—let me emphasize the words "Australian labour." If we abolish rebates we shall have coolies, lascars, Germans, Frenchmen, and others competing for the trade of Australia. Senator de Largie, who is opposing this Bill, is, I believe, one of the strongest advocates amongst us for a white Australia. The Peninsular and Oriental Steam Navigation Company, whose vessels call at Fremantle, employs lascars, Chinamen, and Eastern natives generally, and pays about one-eighth of the wages which obtain on the Australian coast amongst Australian shipping.

Senator STANFORTH SMITH.—Do the vessels of the Peninsular and Oriental Steam Navigation Company carry merchandise from port to port in Australia?

Senator GUTHRIE.—At present I desire to deal with the passenger trade; and I declare that the accommodation on board

than that supplied on the Australian coastal steamers. Further, the attendance on passengers on the Australian coastal steamers is quite equal to that on the mail steamers.

Senator STYLES.—It is better.

Senator GUTHRIE.—I accept the honorable senator's correction. The other day I proved that freights on the Australian coast were lower than anywhere else in the world; and the figures I then laid before honorable senators have remained unchallenged up to the present moment. Those figures show how much higher the freights are on the English coast, where the cost of labour is only one-third what it is on the Australian coast.

The CHAIRMAN.—I do not think the honorable senator is quite in order now.

Senator GUTHRIE.—I desire to show that on the British coast, where those conditions prevail, there are no rebates. There are rebates on the coast of Australia; but, without taking these into account, the freights here are one-third less than on the English coast. Yet we hear, not only in the Senate, but in another place, that freights on the Australian coast are extortionate. The first saloon fare from Sydney to Fremantle on the *Kanowna*, the *Kyarra*, the *Yongala*, the *Grantala*, the *Bombala*, and the *Riverina* is £10, and by other boats £9. From Melbourne to Brisbane the fare on the newer boats is £4 10s., and on the older boats £3 12s. From Melbourne to Sydney the fare by the newer boats is £2 10s., and by the older boats £2. Let us see how these fares compare with the passenger fares in other parts of the world. It has been stated that the Peninsular and Oriental Steam Navigation Company gives no rebates, and the fare from Sydney to London, a distance of 12,485 miles, by one of their vessels—

Senator PEARCE.—I thought the honorable senator did not approve of comparing coastal with oversea trade?

Senator GUTHRIE.—I was then dealing with the question of freight, whereas now I am referring to passenger traffic. After giving a close study to *Rhodes' Steam-ship Guide*, which deals with passenger fares over the whole world, I can say that there are no cheaper passenger fares than in Australia.

The CHAIRMAN.—Will the honorable senator connect those remarks with the question before us?

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bate system is detrimental to the people of Australia, who are nomadic in the habits, travelling from one State to another. I am prepared to give evidence that they are affected by the system of rebates.

Senator STOKY.—Do passengers get rebate?

Senator GUTHRIE.—No; but I am prepared to show that passengers travel less per mile on the Australian coast than in any other part of the globe. *Rhodes' Steam-ship Guide*, which deals with the whole world, gives the fares between port and port, and I defy any one to find an error therein. From Sydney to London a distance of 12,485 miles, the fare runs from £65 to £75, but the minimum fare of £65 works out at 1.25d. per mile. From Sydney to Colombo, a distance of 5,300 miles, the fare is £32, or at the rate of 1.45d. per mile. From Sydney to Vancouver, a distance of 7,067 miles, the fare is £40, or at the rate of 1.36d. per mile. From Sydney to San Francisco, a distance of 7,211 miles, the fare is £40, or at the rate of 1.33d. per mile. From Sydney to Hong Kong, where the boats are manned with cheap labour at 15s. 4d. a month, as against £8 10s. per month on the Australian coast, the fare is £33, or the rate of 1.71d. per mile. From Sydney to Capetown, a distance of 6,349 miles, where the lowest form of white labour that is procurable in Europe, is employed, the fare is £31 10s., or at the rate of 1.19d. per mile. This is truly free-trade in carrying, where the owners, as in the case of the Peninsular and Oriental Steam-ship Company, have the right to employ lascars and coolies at 15s. 4d. per month, or 6d. per day. Senator de Largie wants that company to come into competition with Australians, who, if they live in Sydney or Melbourne, have to pay from 10s. to 15s. per week for rent. And yet its seamen really do not receive sufficient pay to enable them to pay rent, and if they have wives and families, keep them in India, where they can live on an anna per day. Yet this honorable senator has the courage to stand here and say that he is in favour of encouraging Australian industries!

The CHAIRMAN.—Will the honorable senator confine his remarks more closely to the question before the Committee?

Senator GUTHRIE.—Yes. Rebates on freight, I repeat, are granted, but no rebates on passenger fares are allowed.

Senator O'KEEFE.—Some persons are carried more cheaply than are others.

Senator GUTHRIE.—No.

Senator GIVENS.—The boats carry clergymen, commercial travellers, and actors, more cheaply than other persons.

Senator GUTHRIE.—So do the States railways. Suppose that we pass a provision to the effect that no rebates shall be allowed under any circumstances. How would it affect the rights of the States? A football or cricket team which is selected to take part in an Inter-State match is allowed a rebate by the Railways Commissioners. It will, therefore, be seen that a provision against the grant of rebates would interfere with the business of the States railways. Senator Playford knows as well as I do that in South Australia the Commissioner for Railways carries wool from Morgan to Adelaide at a considerably cheaper rate than for a similar distance in any other part of the State.

Senator PLAYFORD.—I understood that an arrangement had been come to among the States not to charge those rates.

Senator GUTHRIE.—It is still being done. In Victoria, for instance, the Railways Commissioners are carrying wool from Echuca to Melbourne, or Port Melbourne, or Williamstown, at a cheaper rate than they charge for a similar distance in other parts of the State.

Senator STANFORTH SMITH.—That is in violation of the agreement arrived at by the States Premiers.

Senator GUTHRIE.—It has not been carried out yet.

Senator PLAYFORD.—Then we shall have to create an Inter-State Commission to carry it out.

Senator GUTHRIE.—What I wish to ascertain is whether the Government have considered to what extent States rights are involved in this question of rebates?

Senator PLAYFORD.—The Bill does not deal with the States.

Senator GUTHRIE.—No; but an amendment has been moved which raises the question of States rights.

Senator PLAYFORD.—I do not think so.

Senator GUTHRIE.—If the Government of South Australia, or Victoria, or New South Wales are prepared to give rebates on the carriage of wool from the Murray to the sea coast, is not the question covered by the amendment?

Senator PLAYFORD.—No; the States do not come within the purview of the Bill.

Senator GUTHRIE.—If, as the Minister says, the States do not come within the purview of the Bill, I am prepared to bow to his superior wisdom. Having given the passenger rates per mile outside Australian waters, I propose now to mention the passenger rates which are charged on our coast. From Sydney to Fremantle, a distance of 2,450 miles, the fare is £10, or at the rate of .98d. per mile, which is cheaper than any rate I have quoted, the lowest being that from Sydney to Capetown, namely, 1.19d. per mile. From Melbourne to Brisbane, a distance of 1,080 miles, the fare is £4 10s., or at the rate of 1d. per mile.

Senator PLAYFORD.—That is as cheap as the rate per mile on an English parliamentary train.

Senator GUTHRIE.—An English parliamentary train does not supply either sleeping accommodation or food, but when travelling from Melbourne to Brisbane, a passenger is well-housed, and is fed like a fighting cock. From Sydney to Hobart, a distance of 628 miles, the fare is £2 10s., or at the rate of .95d. per mile. *Rhodes' Steam-ship Guide*, which is absolutely independent and unbiased, deals with the principal steamship lines in the world, and is as high an authority as is *Cook's Tourist Guide*. I take these guides as being absolutely correct. The fares on the Australian coast in no case amount to over 1d. per mile. The fares outside of Australia, where the ship-owners have the advantage of cheaper labour, are over 1d. per mile. Is there, then, any necessity for passing special legislation to restrict our ship-owners? I have now proved that both fares and freights are lower on the Australian coast than on the English coast. I am prepared to go further, and to prove that they are lower than on any coast in the world. There is no necessity for either Senator Best or Senator de Largie's amendment, so far as the Australian coastal trade is concerned. It has been said that there is no competition. I say that there is competition; but God help the Australian seaman who has to sign on a ship running in competition with a Federation ship! He gets nothing like the wages that are paid by the federated companies, and he is absolutely starved. Senator de Largie instanced a Western Australian ship-owner — Bateman — who never paid the standard rate of wages in

his life. Yet the honorable senator stands up in his place in the Senate, and advocates the cause of Bateman!

Senator DE LARGIE.—Do Scott, Fell, and Company pay Australian rates of wages?

Senator GUTHRIE.—I take it that that firm does so under compulsion.

Senator DE LARGIE.—Do J. and A. Brown pay Australian rates?

Senator GUTHRIE.—J. and A. Brown have from the beginning of their opposition said, "We are prepared to pay union rates."

Senator DE LARGIE.—That company is outside the ring.

Senator GUTHRIE.—The whole coast of Australia is open to it. There is nothing to prevent any ship-owner from entering the Australian trade. If any of them can invent another system to cut against the rebate system, what is to stop them from doing it? Now I wish to come to a personal matter. Senator de Largie has referred to the fact that I signed the report of the Navigation Commission.

The CHAIRMAN.—I think the honorable senator has already made a personal explanation regarding that matter.

Senator GUTHRIE.—No, I have not. The honorable senator failed to tell the Committee that there is another provision in the Commission's report which I signed.

Senator DE LARGIE.—It has nothing to do with rebates.

Senator GUTHRIE.—It has everything to do with the question.

Senator DE LARGIE.—Then let the honorable senator bring it forward.

Senator GUTHRIE.—I am going to do so.

Senator DE LARGIE.—I stand by every part of the report.

Senator GUTHRIE.—So do I.

Senator DE LARGIE.—Did not the honorable senator sign that part of the report dealing with rebates?

Senator GUTHRIE.—Why mention that part of the report alone?

Senator DE LARGIE.—Because that is the only part with which we are dealing.

Senator GUTHRIE.—Far from it. I signed the report on this condition—that every ship that was prepared to abide by Australian conditions should have the right by licence to trade on the Australian coast.

The CHAIRMAN.—I think the honorable senator said that before.

Senator GUTHRIE.—I did not.

Sitting suspended from 6.30 to 7.45 p.m.

Senator GUTHRIE. — Senator Best's amendment deals with the question of services which are the subject of competition. We are in this unhappy position on the Australian coast: We have ships trading with our ports which are employing labour at such rates that the men could not live on them in Australia. They would not be sufficient to pay his rent or to cover the cost of the bare necessities of life. Let me point to the case of a ship which arrived in Queenscliff a little while ago. The crew was absolutely starved on the voyage from Molinda, in Peru, to Queenscliff. They declined to go any further in the vessel. The magistrates decided that they were justified in refusing to go an inch further, first, because they had been starved; secondly because their lives had been endangered from the fact that no lights were exhibited during the voyage, owing to the want of oil; thirdly, because no fog-horns were in use, and fourthly, because the lifeboat which was supposed to be available for the men in case of collision or running aground was in such a condition that paint, when put inside, ran through on to the outside.

Senator BEST.—Is the honorable senator opposing my amendment?

Senator GUTHRIE.—I am.

Senator O'KEEFE.—The amendment does not mention shipping.

Senator GUTHRIE.—But it mentions "services." What does the honorable senator mean by "services"?

Senator BEST.—Transport charges.

Senator GUTHRIE.—Does the honorable senator mean transport charges within a State, or does he mean extra or Inter-State charges?

Senator BEST.—Both.

Senator GUTHRIE.—Then I hope Mr. Bent, the Premier of Victoria, will take notice of the attitude of Senator Best, who is a representative of Victoria. Mr. Bent, to-day, is charging differential rates between Echuca and Melbourne.

Senator BEST.—The honorable senator spoke of Inter-State and extra-State charges.

Senator GUTHRIE.—I spoke of Inter-State and State charges, to which the honorable senator said he intended the words "or services" to apply.

Senator BEST.—And so they will apply, so far as corporations are concerned.

Senator KEATING.—We cannot go beyond corporations.

Senator GUTHRIE.—I say that Mr. Bent, who is a corporation, and Mr. Tait, who is a corporation in a lesser degree, are charging special rates over the Victorian railways.

Senator BEST.—The honorable senator must see that the words cannot apply to any State railways.

Senator GUTHRIE.—The words apply to every State railway in the Commonwealth.

Senator BEST.—If we seek to bind the Crown, the Crown must be specially mentioned; and the clause applies only to corporations formed within the Commonwealth and to Inter-State trade.

Senator GUTHRIE.—Then we arrive at the question—what is a corporation? Does Senator Best deny that Railways Commissioners are a corporation?

Senator BEST.—I answer in the words of the Constitution, that Railways Commissioners are not a foreign corporation nor a trading or financial corporation formed within the Commonwealth.

Senator GUTHRIE.—The Constitution provides that all the powers regarding the rates on railways shall be settled by an Inter-State Commission.

Senator MCGREGOR.—Unless special rates are required for the development of some part of the country.

Senator GUTHRIE.—I shall accept Senator McGregor's definition. Is it in the interests of the Commonwealth that there should be rebates between Echuca and Melbourne? The amendment lays down the principle that wool carried from Echuca to Melbourne shall be granted a rebate.

Senator GIVENS.—Is it not a differential rate rather than a rebate?

Senator GUTHRIE.—Nothing of the kind. Senator Best knows that a rebate has to be granted from Echuca, or the wool would never come to Port Melbourne.

The CHAIRMAN.—I hope the honorable senator will not pursue that argument any further, because I do not think the question of States railways has anything to do with the amendment before us.

Senator GUTHRIE.—I most respectfully decline to agree with your ruling.

The CHAIRMAN.—If the honorable senator disagrees with my ruling, will he be good enough to put his disagreement in writing, so that the point may be settled by reference to the President?

In the Senate:

The CHAIRMAN OF COMMITTEES.—Mr. President, I beg to report that when the Committee were considering clause 6 of the Australian Industries Preservation Bill, Senator Best submitted an amendment with the object of adding the following paragraph to sub-clause 1:—

“(d) If the defendant, with respect to any goods or services, which are the subject of the competition, gives, offers, or promises to any person any rebate, refund, discount, or award upon condition that that person deals, or in consideration of that person having dealt, with the defendant to the exclusion of other persons dealing in similar goods or services.”

Senator Guthrie, in discussing the proposed new paragraph, introduced the question of rebates granted by the States Railways Commissioners, and referred at length to the action of Mr. Bent, the Premier, and Mr. Tait, Railways Commissioner, of Victoria. I ruled the honorable senator out of order, on the ground that the question of rebates granted on any State railway do not come within the scope of the Bill. To that ruling Senator Guthrie has disagreed in the words—

I respectfully decline to agree with the Chairman's ruling that I cannot debate the question of “or services” in the amendment proposed by Senator Best, clause 6, sub-clause 1, of the Australian Industries Preservation Bill.

You will observe, Mr. President, that the Bill deals with corporations and commercial trusts, and that—

“Commercial Trust” includes a combination, whether wholly or partly within or beyond Australia, of separate and independent persons (corporate or unincorporate) whose voting power or determinations are controlled or controllable by—

(a) the creation of a trust as understood in equity, or of a corporation, wherein the trustees or corporation hold the interests, shares, or stock of the constituent persons,

and so on. I submit that the States railways and States Railways Commissioners do not come within the scope of the Bill, and that Senator Guthrie is out of order.

Senator GUTHRIE.—I hold that we, as a Commonwealth Parliament, have absolute power under this Bill to control any body whether corporate or unincorporate, unless the contrary intention appears—and no contrary intention does appear in the Bill. “Commercial Trust” includes—

a combination, whether wholly or partly within or beyond Australia, of separate and independent persons (corporate or unincorporate) whose voting

power or determination are controlled or controllable by—

(a) the creation of a trust as understood in equity. . . .

I do not think that many honorable senators really understand what is meant by "a trust as understood in equity."

Senator HENDERSON.—The honorable senator evidently does not understand.

Senator GUTHRIE.—I admit that I do not.

The PRESIDENT.—What has this to do with the question whether we can legislate in reference to States railways?

Senator GUTHRIE.—I am coming to that presently, if you will only wait. The interpretation clause proceeds—

(a) the creation of a trust as understood in equity, or of a corporation, wherein the trustees or corporation hold the interests, shares, or stock of the constituent persons; or

(b) an agreement. . . .

I wish to emphasize the fact that the Railways Commissioners of South Australia have entered into an agreement with wharf-owners—and I particularly instance Port Pirie—to charge a certain rate for wharfage for goods passed over the wharf there. I hold that under this Bill that is an agreement into which the State of South Australia has entered with private individuals. But the Railways Commissioners of South Australia have gone further, and entered into a combination for the purpose of pooling all wharfage, and dividing it at the end of the year. I ask you, Mr. President, in deciding this point of order, to take that fact into consideration. I could point to fifty instances of a similar nature. I shall put the case still more strongly. In Victoria, so far as wharfage is concerned, there is a protective duty. Goods arriving from ports outside Victoria are charged a wharfage fee of 5s. per ton, while goods produced in that State are passed over the wharfs absolutely free. I ask the representatives of Victoria if they will deny that that is a protective duty against other States

Senator BEST.—It is a wharfage charge.

Senator GUTHRIE.—It is a protective duty. Again, salt from Edithburgh, in South Australia, when landed on a wharf in Victoria, is charged a wharfage fee of 5s. per ton.

Senator STYLES.—The honorable senator must blame the State Parliament for that.

Senator GUTHRIE.—No; it is the fault of the Commonwealth Parliament.

The PRESIDENT.—I must ask the honorable senator to address his remarks to the point of order, and not to the merits or demerits of what is done in Victoria.

Senator GUTHRIE.—The position I wish to put is that wharfage is a service, and that the Constitution provides that services, amongst other things, shall be the same throughout the Commonwealth. Victoria is building up—

The PRESIDENT. — The honorable senator is really discussing the merits or demerits of the system in Victoria; but the question at issue, I understand, concerns a discussion in Committee which he wished to initiate relative to the Bill.

Senator GUTHRIE.—No. The point I have raised is whether I can discuss the question of services. I leave the question of railways, because I think it must be evident to every honorable senator that there is a more important question to be considered, and that is the competition between the States.

The PRESIDENT.—The honorable senator must see that the question under consideration is not what powers the Senate has or has not, but what powers the Committee has in relation to the Bill.

Senator GUTHRIE.—The amendment of Senator Best begins with the words "If the defendant with respect to any goods or services," and the whole question I raise is whether on that amendment I am entitled to move in the matter of services.

Senator BEST.—No one ever disputed that for a moment. The whole point at issue was as to States railways.

Senator GUTHRIE.—No; it is the question of services.

Senator BEST.—That is not the point on which the honorable senator was ruled out of order.

Senator GUTHRIE. — My disagreement from the Chairman's ruling relates, not to a question of States railways, but to the question of services. I am prepared to prove that the services as between State and State are unfair.

The PRESIDENT. — The honorable senator must not argue that question. The point is whether in this Bill in Committee he can move an amendment—

Senator PLAYFORD.—No, that is not the question.

Senator BEST.—I think that there is a misunderstanding, sir.

THE PRESIDENT.—In the first place, I should like to be clear as to what the disagreement was about. I am bound to take the statement of the Chairman of Committees, who, I understand, would not allow Senator Guthrie, on an amendment moved by Senator Best, to discuss the question of States railways and States services. Whether the procedure in Victoria in relation to wharfs or railways is fair or unfair has nothing to do with that question. The whole point is whether, in Committee on the Bill, the honorable senator can initiate a discussion or introduce an amendment relating to States railways or States services.

Senator GUTHRIE.—The whole question is whether in Committee I can move to delete the words "or services."

THE PRESIDENT.—Nobody can deny that.

Senator DE LARGIE.—But the honorable senator has not proposed an amendment.

Senator GUTHRIE.—No; but I was leading up to an amendment when the Chairman of Committees ruled me out of order because of a reference I had made to States railways. The States not only control railways, but also a great many other public services. In New South Wales, for instance, the State controls the tramways. Is this Bill to provide that the Parliament of that State shall not have the right to control the railways by, for instance, fixing the fares, or, if necessary, the freights? I contend that it would be a very bad move indeed on the part of this Parliament to enact such a provision. I could mention other States which control such services as tramways.

Senator DOBSON.—The honorable senator has taken up an hour or so; but I do not understand yet what he is arguing about.

Senator GUTHRIE.—Does the honorable senator think that the use of the word "services" in the amendment of Senator Best would apply to the control of the tramways in Hobart?

THE PRESIDENT.—This Parliament has no power to deal with the tramways in Hobart.

Senator GUTHRIE.—Have we not?

THE PRESIDENT.—This Parliament has power to deal with trade and commerce among the States, but not with trade in any one State.

Senator GUTHRIE.—That is a ruling from the Chair which I am very glad to get. In

Victoria, the Railways Commissioners issue railway tickets from Melbourne to Sydney—that is to say, for a journey through two States. Would the amendment of Senator Best apply to them? I think it would. The question to which I was more particularly directing my attention when the interruption occurred was whether, when a deep-sea ship arrived at a port in which there was a combination which comprised either the Railways Commissioners or the Harbor Trust, and which arbitrarily fixed the charge for landing goods on the wharf, the Bill would relate to such services. It must be borne in mind that these services are in some cases rendered by private individuals, and in other cases, as in Victoria, by the State. I declare emphatically that it is an absolute breach of the Constitution for a State to levy differential wharfage charges.

THE PRESIDENT.—I must ask the honorable senator to confine himself to the question of order. I have already stopped him from discussing the question whether the wharfage rates in Victoria are fair or unfair. What has that to do with the point of order? Nothing at all. The only question is what amendments can be made in the Bill in Committee.

Senator GUTHRIE.—I bow to your decision, sir. But I wish to point out that the Constitution provides that the charges for services throughout the Commonwealth shall be uniform.

THE PRESIDENT.—Suppose that they are not. What has that to do with this Bill?

Senator GUTHRIE.—The Committee was engaged in discussing an amendment to the effect that, in regard to services rendered to any person who came within the Commonwealth, no rebate should be granted. That would still leave it open to each State which owned wharfs to fix the rate of wharfage. I take it that in Victoria there is a considerable territory which, under a system of rebates, would send its produce, not to Melbourne or Warrnambool or Portland—

THE PRESIDENT.—The honorable senator does not seem to see the point of order. He is again discussing the fairness or unfairness of certain conditions.

Senator DOBSON.—He is really ignoring the ruling of the Chair.

THE PRESIDENT.—The honorable senator is ignoring the ruling of the Chair when he is discussing all manner of things

which have nothing to do with the question under consideration.

Senator GUTHRIE.—I have been trying to point out that, if a system of rebates were initiated under the Bill, it would be possible for one State to take advantage of another State.

Senator MCGREGOR.—But this amendment would prevent the granting of rebates.

Senator GUTHRIE. — How far would it prevent the granting of rebates? I want to show honorable senators that it is possible for Victoria—

The PRESIDENT.—What has that to do with the point of order? The question is what powers the Committee have in dealing with this Bill. Whether it is possible or not for Victoria to discriminate in reference to trade and commerce has nothing to do with the question.

Senator GUTHRIE. — The point at issue between the Chairman and myself is whether I was in order in discussing the question of services.

The PRESIDENT. — That is not the question put to me by the Chairman.

Senator GUTHRIE.—I put my dissent in writing.

The PRESIDENT.—I shall take the case as submitted to me by the Chairman of Committees.

The CHAIRMAN OF COMMITTEES.—May I again explain? When clause 6 of the Bill was under discussion, Senator Best moved an amendment, which was perfectly in order, dealing with corporations and trusts and persons. Senator Guthrie argued at length whether the practices of the States Railways Commissioners came within the scope of the amendment. He proceeded to refer to Mr. Bent as a corporation, and to Mr. Tait, the Chairman of the Victorian Railways Commissioners, as a corporation in a lesser degree. He stated that these persons had granted rebates to persons sending goods between Echuca and Melbourne. As the honorable senator proceeded to discuss that matter at length, I ruled him out of order.

The PRESIDENT.—Senator Guthrie's objection is that he does not agree with the ruling of the Chairman as to the words "or services."

The CHAIRMAN OF COMMITTEES.—The Standing Orders state that a senator taking objection to a ruling of the Chairman shall put his objection in writing. I trust that

honorable senators who were present in Committee will, if there is any difference between Senator Guthrie's report and mine—

The PRESIDENT.—I shall take the Chairman's report. Has Senator Guthrie finished at last?

Senator GUTHRIE.—No. I think that your remark as to whether I have finished "at last" was quite uncalled for.

The PRESIDENT. — The honorable senator has been diverging from the question nearly the whole time he has been speaking.

Senator GUTHRIE.—The President and I may differ on that point. I leave honorable senators to decide which of us is right. I hold strongly that in dealing with "services" we are infringing upon the right of the States to control their own business. I say again that the remark of the President as to whether I had finished "at last" was quite uncalled for.

The PRESIDENT.—I have called the honorable senator to order three or four times.

Senator GUTHRIE.—I do not care whether you have called me to order twenty times. I am here to represent my State, and this is a matter in which my State is vitally interested. If I am put out of the chamber I do not care.

The PRESIDENT. — This Bill does not deal with the States at all.

Senator GUTHRIE.—I do not know whether it does or not. I have asked the Minister a question, and have not obtained a satisfactory reply.

Senator PLAYFORD.—I have said that the Bill does not deal with the States.

Senator GUTHRIE.—The whole question, to my mind, is this—does the word "services" relate to the States or does it not? I have given as an illustration a case where a State enters into a combine, and has agreed to "pool" the results.

Senator PLAYFORD.—Such a case is not dealt with by this Bill.

Senator GUTHRIE.—I think it is, and my opinion is worth just as much as the Minister's. I maintain that I have a right to discuss whether States services are included. I believe that it is possible for a State to enter a combination, and absolutely to bleed the consumer.

The PRESIDENT.—I again ask the honorable senator to confine himself to the point of order.

Senator GUTHRIE.—The question is, have I or have I not a right to address myself to the point whether Senator Best's amendment would affect a State that entered a combination?

The PRESIDENT.—The honorable senator does not seem to see the point at issue. The Senate has referred a Bill to the Committee. The Committee have power to consider that Bill, and to discuss amendments relevant to it. The question is whether issues concerning the powers of the States are in order in reference to the Bill. I ask the honorable senator not to continue his remarks, because he has reiterated his arguments a great many times.

Senator GUTHRIE.—If the services referred to in Senator Best's amendment are rendered by a State, I wish to know whether we have power to deal with such a State under the Bill?

Senator MILLEN.—The question at issue presents itself to my mind as being one of some moment. The Bill, as you are aware, Mr. President, deals with combinations in restraint of trade. We were discussing in Committee an amendment, the object of which was to make the payment of rebates illegal. Certain States railways—those in my own State, for instance—grant rebates. I submit that it is competent, in view of the purpose of the amendment under discussion, to debate the question whether the clause and the amendment do refer to States railways or not; if they do, whether it is constitutional or proper that they should do so; and if they do not, whether it is desirable that they should. In view of the fact that we have before us in Committee an amendment dealing with rebates, and that there are States railways which pay rebates, it seems to me to be competent for honorable senators to argue how far the clause and the amendment cover the practice of States railways that grant rebates, and what legislation ought to arise out of that practice.

Senator BEST.—I wish to draw your attention, Mr. President, to important facts that seem to be overlooked. Certain offences are created by clauses 4 and 5 of the Bill. The measure goes on to say that if a contract is entered into, or a combination continues to exist, with intent to injure or destroy certain industries, or to compete with them unfairly, an offence is committed. This Bill can only refer either to a person, a foreign corporation, or a trading or financial corporation. The sole question is whether

Senator Guthrie had a right to discuss States railways. I submit that he had no such right. First of all, States railways cannot possibly be comprehended within the limits of the Bill. In order to bind the Crown it is necessary that the Crown should be specifically mentioned. Consequently, if the States railways are in the names of the States, the Crown must be specially mentioned, in order that they may be affected. It may be said that the railways in some of the States have been handed over to Commissioners. But the Bill cannot apply to Commissioners of Railways. The Constitution gives us power to make laws with reference to foreign corporations, and trading and financial corporations formed within the Commonwealth. That is all that this Bill seeks to do. The Railways Commissioners of the States have their existence by virtue of Statutes constituting them corporations. But that class of corporation does not come under this Bill at all, because it is not a foreign corporation, nor a trading or financial corporation formed within the Commonwealth.

Senator CLEMONS.—Not a trading corporation?

Senator MILLEN.—I take it from Senator Best's argument that he contends that the States railways are not covered by the Bill? If so, surely we can discuss the fact that the Bill does not cover them?

Senator BEST.—I do not think so, because we have no power under the Constitution to deal with them in such a Bill. It is true that we have power with reference to the acquisition of railways with the consent of a State.

Senator GIVENS.—We also have power with regard to differential rates.

Senator BEST.—Only through the appointment of an Inter-State Commission. But that is not the point.

Senator CLEMONS.—This Parliament has already dealt with States services.

Senator BEST.—And that question is now before the High Court.

Senator CLEMONS.—That is a precedent.

Senator BEST.—This Bill simply deals with offences committed by foreign corporations and trading or financial corporations within the Commonwealth. States railways do not come within either of those designations.

Senator CLEMONS.—I would respectfully remind you, Mr. President, that when we were discussing the Conciliation

and Arbitration Bill, and a similar question to this was brought before you, you ruled from the Chair that it was not incumbent upon you, or within your province, to decide a constitutional question.

The PRESIDENT.—Except so far as is necessary for the conduct of business.

Senator CLEMONS.—Of course. I rose to remind you that in consequence of your ruling, the question then at issue, which was analogous to the present question, was discussed at great length. You know, of course, that I am referring to the inclusion of States servants under the Conciliation and Arbitration Act. I then agreed with you that it would be inadvisable for you to rule on a constitutional point, and that, as long as the debate did not traverse the Standing Orders, it should be allowed to go on. The question now before the Chair is exactly that which then had to be decided.

The PRESIDENT.—I do not think so. I think it is a question of what can be introduced in the Bill before the Committee.

Senator CLEMONS.—Perhaps I am wrong, but the position, as it appears to me, is this. Senator Guthrie was discussing the possibility, or otherwise, of including certain States services within the scope of this Bill. Whether he was using that as an illustration or not is not much to the point. He was discussing the advantage or disadvantage of using this Bill to control such services. When we were dealing with the Conciliation and Arbitration Bill, we discussed the applicability of that measure to States services, and whether it was desirable or not to include them. You were asked whether such a point should be discussed, and your ruling was that it was purely a constitutional matter, that it did not, in your opinion, contravene the Standing Orders, and that you were bound to allow the debate to continue. I have quoted from memory, but I think I have correctly stated your ruling on that occasion. If so, I ask you, Mr. President, to reconsider the matter before you rule on this point.

Senator PEARCE.—I do not desire to prolong the discussion, but it will be within the memory of us all that, when the Arbitration and Conciliation Bill came before another place, there was a clause in it which excluded States servants from its operation.

The PRESIDENT.—I think that was so.

Senator PEARCE.—That fact upholds Senator Best's contention, inasmuch as in that particular Bill the Crown was mentioned.

Senator CLEMONS.—We dealt with the Bill as it came to us.

Senator PEARCE.—When the Bill came to us States servants were included, and, therefore, the Crown was named. In order to have objected to the discussion which then took place, you, Mr. President, would have been called upon to object to a clause which was in the Bill—an impossible position. As to the constitutional point which has been raised, I direct honorable senators' attention to section 102 of the Constitution, which provides the only way in which we can deal with States railways, so far as rebates are concerned.

Senator GUTHRIE.—Not the only way.

Senator PEARCE.—Yes, the only way.

Senator CLEMONS.—The question now is not whether we can constitutionally deal with the States railways; the President will not give a ruling on that point.

Senator PEARCE.—The latter part of section 102 says—

But no preference or discrimination shall, within the meaning of this section, be taken to be undue and unreasonable, or unjust to any State, unless so adjudged by the Inter-State Commission.

That clearly shows that in a Bill of the character before us, we could not deal with any such question; and the section strengthens the position taken up by the Chairman. If we cannot legislate in the direction suggested, then surely every discussion regarding it must be out of order.

The PRESIDENT.—This is a Bill to deal with certain acts by individuals, or by foreign corporations, and trading or financial corporations formed within the Commonwealth. The question of any dealings by any State—

Senator GUTHRIE.—Mr. President—

The PRESIDENT.—I am giving my ruling.

Senator GUTHRIE.—Have I not the right to speak?

The PRESIDENT.—No. This Bill, as I sav. is confined to certain classes of persons, who are mentioned in clauses 4 and 5. Clause 6 is, to a great extent, explanatory of clauses 4 and 5, and on clause 6 Senator Best has submitted an amendment, which commences "If the

defendant." The word "defendant" there must mean one of the persons mentioned in clauses 4 or 5.

Senator GUTHRIE.—Who may be a State.

The PRESIDENT.—Who cannot possibly be a State, because clauses 4 and 5 deal only with persons or trading corporations. The question which I have to consider is whether in this Bill, as referred to the Committee, amendments can be introduced dealing with States railways or with States services. I do not think that such amendments can be introduced. Altogether apart from the question whether the Senate has power to deal with States railways, or with States wharfs, or any States services solely within a State, the other question raised is: Can the Committee in this Bill make amendments so extending the Bill as to bring within its scope the States as to their railway services? It is evident that we cannot send a State to gaol; and I believe that one of the penalties under this Bill is a fine of £500 or imprisonment for six months. I entirely agree with the ruling of the Chairman of Committees. As to the Arbitration and Conciliation Bill, that raised quite a different question. So far as I recollect—and I only speak from recollection—when that Bill went into Committee it contained a clause which mentioned the States; and whether that clause could be discussed and amended was quite a different question from that now raised. I think that the Chairman of Committees is right in his ruling.

In Committee:

Senator GIVENS (Queensland) [8.9].—I am exceedingly pleased that Senator Best has introduced this amendment. I had contemplated submitting an amendment of the kind, but the proposal of Senator Best covers the ground. The Bill would be exceedingly incomplete, and our powers would be far too limited to effectively protect the public if some provision of this nature were not included. In submitting the amendment Senator Best gave us an illustration at length of the evils which might accrue to the community, and the hardships which might be inflicted on rival traders by a foreign company or trust having power to give these obnoxious rebates. I wish to quote a case in which a corporation carrying on business in Australia, and largely composed of Australian people, with its office and centre within the Commonwealth, may also exercise a pernicious

influence on every trader in the same line of business, and on the public interest generally. I allude to the Colonial Sugar Refining Company Limited, who, ever since 1896, have had a system of rebates on condition that their customers enter into an agreement to deal only with them. I am specially interested in trying to obtain for people engaged in the business of growing, manufacturing, and distributing sugar that fair measure of justice to which they are entitled, and which it should be our business to see they get. I have here a copy of an actual agreement which every customer of the Colonial Sugar Refining Company is compelled to sign in order to get the rebate. This agreement, which was entered into by an Adelaide firm, is in the form of a letter which the company dictate, and get their customers to sign. It is as follows:—

The Manager,

Colonial Sugar Refining Coy. Ltd., Adelaide.

Dear Sir,—In consideration of a bonus of ten shillings (10s.) per ton to be calculated on the 31st December and 30th June each year, as per your circular of 27th November, 1896, and payment of which is to be made to me as stated hereafter, it is understood that from this date my dealings in white sugars shall be confined exclusively to sugars of your manufacture.

This arrangement to be terminable on three months' notice, in writing, from either side.

The payment of the bonus to be made by the company on purchases, which I may make direct from you, and upon all purchases made through Messrs. _____, the bonus to be refunded by this firm on your behalf.

I am, dear sir,

Faithfully yours,

The company are prepared and willing to give a bonus of 10s. on every ton of sugar purchased by the customer direct or through the wholesale agents, provided, as I said before, that for the term mentioned, or until three months notice has been given the customer shall purchase only from the company. It is by such methods that this company has built up the huge monopoly it at present enjoys. An examination of the Customs returns will show that the company refines and distributes 81 per cent. of the total sugar consumed in Australia, while the other two refiners, who are in a small way, have to be content with the remaining 19 per cent. It is by this pernicious system that the company is enabled to occupy its present strong position. In the case of a trader who passes through his hands 3,000 tons of sugar per annum—

bonus of 10s. per ton represents £1,500, and if that trader buys sugar from any other manufacturer, he loses the whole of that money. That means that the company actually gives a bribe of £1,500 to that customer to boycott every other manufacturer in the same line of business. It is worse than plain highway robbery. Those interested in the Colonial Sugar Refining Company pose as pillars of the Church, and as men of the highest business standing and integrity. A mere recital of the facts is enough to make an honest man more indignant than he would be with a highwayman, because the latter does risk his neck, whereas the shareholders of the company risk nothing, while they thus rob the traders and the public. Let me show honorable senators how this beneficent company deals with the grower. In the far north of Queensland in the last sugar season there were two mills exactly similarly circumstanced. They stood within a few miles of each other, and the cane was grown on either side of one dividing fence. One was a co-operative mill, while the other was owned by the Colonial Sugar Refining Company, and mark the result. The proprietary mill, for cane delivered at the mill, gave the grower the large sum of 13s. 7d. per ton, while the co-operative mill, after paying interest and redemption on the money borrowed from the Government for the building of their premises, and providing for depreciation and other charges, paid the grower 20s. 6d., a difference of 7s., all but 1d. But that does not disclose the whole position. It must be remembered that, owing to the monopoly the company was the buyer of the raw material from the central mill, and secured the most profitable portion of the manufacture of the sugar produced by that mill. What do the people of Australia owe to this corporation which treats the actual growers in such a shameful manner? What does the country owe to a corporation which bribes the merchants and traders to boycott other manufacturers and distributors? What this Parliament owes to the people of Australia is to protect them from the rapacious instincts of this predatory company.

Senator STYLES.—It squeezes the rebate out of the grower.

Senator GIVENS.—And out of the public and everybody else. The company is making enormous profits, and unless some

is included, the Bill will not be effective to protect the people of Australia from the enormous evil and hardship under which they now suffer from the operations of this cormorant. Therefore I hope the Committee will see fit to pass the amendment, so as to make the Bill effective in a much desired direction.

Senator PLAYFORD (South Australia—Minister of Defence) [9.10].—The Government intend to accept this amendment in regard to rebates. I do not wish to discuss the question at any length, because it has already been fully debated. I have always considered rebates unfair under almost every circumstance that can be imagined. A rebate is given for the purpose of gaining a benefit somewhere; it is never given without the expectation of obtaining an advantage over a trade rival, or for some similar reason. In the oil trade the rebate is given for the purpose of securing the trade of certain people, who are not allowed to deal with any but the trust. It is a vicious principle, which is only acted upon in order, as I say, to reap some advantage or another over fellow traders. In Adelaide, a short time ago, a coupon company started operations, and supplied the coupons to grocers, who agreed to give them to their customers in proportion to the goods purchased. These coupons were subsequently exchanged for certain articles or presents.

Senator MILLEN.—This clause will not touch that system.

Senator PLAYFORD.—I do not say it will. I am now discussing the question of rebates, and these coupons are rebates. They represent a vicious system, because the traders who do not take the coupons are placed at a disadvantage.

Senator MILLEN.—In view of the decision which has just been given to limit us to the discussion of the question before the Committee, I ask whether the Minister of Defence is in order? This amendment relates to rebates granted to persons who deal exclusively with those who grant the rebates. Under the coupon system the coupons are not given to persons who deal exclusively with the givers of the coupons—they are a species of small cash discount, and there is no undertaking on the part of the recipient; that they will deal only with the persons from whom they receive them. I submit that the clause in no sense covers that class of transaction.

The CHAIRMAN.—I understand the honorable senator to raise this question in view of a recent ruling relating to the States' railways. This is not, I think, an analogous case.

Senator MILLEN. — The question is whether it is relevant.

The CHAIRMAN.—I think that the Minister is entitled to refer to the question of coupons being granted by a firm, because they are, to all intents and purposes, rebates.

Senator PLAYFORD.—I do not wish to take up the time of the Committee. I only gave that case as an illustration. I do not pretend for a moment that coupons would come within the purview of the provision. I only wish to emphasize the point that in their nature rebates are vicious. I pointed out that the rebates granted under the coupon system were vicious, and eventually were prohibited by the State, because of the vice connected with them.

Senator GUTHRIE. — Not by all the States.

Senator PLAYFORD.—I do not know whether all the States have taken that step, but I do know that South Australia did, because the system was a nuisance. The persons who were supposed to be getting an advantage really had to pay the money out of their own pockets. We agree to the insertion of this paragraph in the clause.

Senator CLEMONS (Tasmania) [9.17]. —It is all very well for the Minister to use wild phrases, such as "rebates are vicious," but if he were better acquainted with the subject, or, at any rate, if he were to think more carefully before he spoke, he would hesitate before he said straight away that a rebate is a vicious thing. One of the most ordinary forms of rebate is that which is given by a tradesman to a large customer. In commercial life nothing is commoner than for a tradesman to say to a customer, "If you send me 100 tons, I shall give you a rebate."

Senator PLAYFORD.—No. He says, "I will give it to you at wholesale price."

Senator CLEMONS.—No, he does not.

Senator PLAYFORD.—That is what the people I deal with say. They never talk of rebates.

Senator CLEMONS.—A carrier does not talk about the wholesale price. If I am going to enter into a contract with a

carrier to take 50 tons of goods, he may have a tariff. If I say to him, "I am prepared to give you 1,000 tons—"

Senator PLAYFORD.—He will say, "I will do it for so much."

Senator CLEMONS.—No; the carrier will say, "Then I will give you a rebate," and the term is properly used there. In Australia, there is no system more universal than that of giving a rebate in consideration of the quantity of goods offered. It is absurd for the Minister to talk about that sort of thing being vicious. To so stigmatize that form of commercial transaction is ridiculous.

Senator DOBSON.—If a man gets a ton of tobacco from the Tobacco Trust, it will give him a rebate of 2d. per lb.

Senator CLEMONS.—Yes, because the man is taking a large quantity. Is a rebate vicious because a man takes a quantity? The amendment provides that if the defendant offers any rebate, refund, discount, or reward upon the condition that the person deals with the defendant to the exclusion of other persons dealing in similar goods or services, it shall be an offence under the Act. Does the Minister consider that the provision would apply to the case of a contract being entered into for a term of years in consideration of getting a rebate? Suppose, for instance, that a trader were to agree with a customer that, if the latter would enter into a five years' contract, he would grant him a rebate on his ordinary terms. Does he intend the Committee to pass a provision which would affect such a transaction? I ask Senator Best to say whether it would apply to a case of that kind?

Senator BEST.—Of course, it would not, unless there was a stipulation for exclusive trade.

Senator CLEMONS. — The stipulation for exclusive trade would be contained in the duration of the contract.

Senator BEST.—If it were a stipulation for exclusive trade, then it would apply.

Senator CLEMONS. — I ask Senator Best to say whether, in his opinion, it is desirable that the case I put just now should come under the provision. Does the Minister consider that it should?

Senator PLAYFORD.—I think so, from its wording. If a man entered into a contract for a certain period, and he said, "I bind you to get these goods from me, and

from nobody else, during that period," it would come under the provision.

Senator CLEMONS.—The Minister will agree with me, I think, that that is a normal form of contract. Does he think that in commercial life it is a bad thing to give a contract for five years on one side, and to give a rebate on the other, in consideration of getting the contract? Is that the sort of thing that we wish to put down? Any number of traders or carriers have a fixed tariff or rate. It is quite possible for such a carrier or trader to offer a rebate to a customer in all *bonâ fides*.

Senator PLAYFORD. — It depends upon what the honorable senator calls a rebate. If a carrier quoted one rate for a 50-ton lot and another rate for a 100-ton lot, would he call that a rebate?

Senator CLEMONS. — It would come under the head of either a rebate or a refund, or a discount. And the consideration would be the getting of a contract for a period of years, during which, undoubtedly, any other person would be excluded from dealing with that customer. If this paragraph were enacted, it would make a tremendous inroad upon ordinary methods of trade. I cannot believe that many honorable senators think that such a departure would be desirable at the present time, or that a custom which is found in every trading community is necessarily bad. I ask honorable senators whether it is a bad thing for a man to be prevented from giving a refund because he gets a five years' contract?

Senator STANFORTH SMITH.—Would it not have to be shown that it was an injurious as well as an exclusive contract?

Senator CLEMONS.—It might be held to be a restraint of trade. I had that point in my mind when I was appealing to Senators Best and Playford.

Senator BEST. — This amendment does not relate to restraint of trade, but to unfair competition.

Senator CLEMONS.—Might it not be held to be unfair for a man to tie down a customer for a term of years because a rebate was given to him? I can quite conceive that it might be held by some persons to be unfair as against all others engaged in that industry or trade. But we ought to hesitate before we pass a provision of this character without giving full consideration to the wide-spread effect it might have on trade and commerce. Surely, in passing a Bill which is called an Australian Indus-

tries Preservation Bill, we do not want to harass and impede honest trade?

Senator PLAYFORD.—Of course not.

Senator CLEMONS. — Is the granting of a rebate dishonest?

Senator PLAYFORD.—I do not think it is.

Senator CLEMONS.—Is it dishonest for one man to give another man a refund or rebate because he accepts a five years' contract? I do not think it is dishonest; but I see very great danger in passing a provision which says that that is wrong. I ask the Minister not to agree to the amendment straight away. I agree with him in regard to many of the evil practices which have been carried on under the name of rebates. I do not for a moment defend any malpractices, but I wish to avoid the error of punishing the innocent when we are chasing the guilty. I think that the Minister would be well advised if, before agreeing to the amendment, he would take advice on the point which I have raised, and possibly on other points which may be suggested. Surely he does not want to do an injustice to honest traders! He has stated that, in his opinion, the case I cited would come under the amendment. I believe he recognises with me that such a case would carry with it no dishonesty.

Senator PLAYFORD.—There is no dishonesty in any rebate!

Senator CLEMONS.—At times there may be. A little while ago the honorable senator said that all rebates were vicious.

Senator PLAYFORD.—According to the honorable senator's argument, there is no dishonesty at all in rebates.

Senator CLEMONS.—I hope that the Minister will withdraw that remark, because he is not quoting me fairly. I have already said that I agree with him that in many respects rebates are most objectionable. But it does not necessarily follow that every rebate is bad. If, however, it is bad, I ask the Minister to say whether, in the instance I gave, it is harmful or wrong?

Senator PLAYFORD.—The provision would only apply when the rebate was granted to the exclusion of other persons.

Senator CLEMONS.—For a term of five years other persons would be excluded in the case I cited.

Senator DOBSON.—It must be in restraint of trade to come under the amendment at all.

Senator CLEMONS.—Might it not be held to be in restraint of trade?

Senator DOBSON.—If it came under the amendment it would have to be.

Senator CLEMONS.—Perhaps the honorable senator does not understand the question. I hope that the Minister will not attempt to rush the provision through without giving it fuller consideration.

Senator PLAYFORD.—It has been considered.

Senator CLEMONS.—I ask the Minister to postpone the clause, and let us deal with other clauses.

Senator PLAYFORD.—This amendment has been on the contingent notice-paper for some time, and I have had the advantage of considering it with my colleagues.

Senator CLEMONS.—Has the Minister considered such a case as I have cited?

Senator PLAYFORD.—Yes, practically the same case.

Senator CLEMONS.—I cannot vote for the amendment.

Senator O'KEEFE (Tasmania) [9.25].—In such a case as Senator Clemons has put, would it be necessary for the question of rebate to be mentioned?

Senator CLEMONS.—Frequently, in order to get a contract, a man would offer to give a rebate.

Senator O'KEEFE.—If it was not intended to do anything which would be held by the Court to be in restraint of trade or to the injury of the public, would it not be a very simple matter for the contractor to state the price without mentioning any rebate?

Senator CLEMONS.—Yes; but there might be a contract entered into distinctly for a rebate to the exclusion of every other person so long as it lasted.

Senator O'KEEFE.—If a contract were entered into which it was thought contravened any section of the Act, it would be quite a simple matter, if it was a fair transaction, to mention the exact terms without raising the question of a rebate.

Senator CLEMONS.—Has the honorable senator a copy of the amendment before him?

Senator O'KEEFE.—Yes. What the amendment is seeking to do is to prevent the granting of rebates, which, in their nature, are injurious. Senator Best has cited the case of the Standard Oil Company, while Senator Givens has mentioned the case of the Colonial Sugar Refining Company. It would be possible, I am sure, for other honorable senators to mention trusts operating in the Commonwealth,

or likely to be formed therein, which would come within the scope of the Act. Therefore, it seems to me that the lengthy remarks of Senator Guthrie dealt with only one phase of a very big question. I am entirely with that honorable senator in a great deal of what he said, both this evening and a few days ago, when he was discussing the question of the operations of the alleged shipping trust in Australia. I believe it can be proved beyond the shadow of a doubt that the figures he quoted as to the freights and fares charged by Australian companies in comparison with those charged by other companies are correct.

Senator GUTHRIE.—No one is game to challenge their accuracy.

Senator BEST.—That particular combination would hardly come under the Bill.

Senator O'KEEFE.—If the amendment applied to only the alleged shipping trust, I would say that there might not be any great reason for making it.

Senator BEST.—It would only apply to corporations or persons who intended to destroy an Australian industry.

Senator O'KEEFE.—Exactly. If it does apply to the alleged shipping trust, and it can be proved that it is not doing anything in restraint of trade or injurious to the people of Australia, still that does not relieve us of the responsibility to consider other things which the Bill seeks to cover. It has been contended this afternoon that there are other trusts or combinations which it seeks to cover. Both this afternoon and the other day, Senator Guthrie spoke as if the Bill were intended to deal with only the alleged shipping trust.

Senator GUTHRIE.—And the State services.

Senator O'KEEFE.—This afternoon the honorable senator discussed the Bill in connexion with State services. If he is animated by a desire to do what he considers a fair thing by the alleged shipping trust, which he says are paying a proper rate of wages, and giving reasonable conditions to their employes, surely he can achieve that object in another way than by opposing the amendment.

Senator GUTHRIE.—My whole opposition to the amendment is on account of the reference to State services.

Senator O'KEEFE.—The alleged shipping ring can get fair play as against outside shipping companies which the honorable senator says are competing on unfair

terms with them. They can get redress in another direction; and the proper measure in which to give it to them is the Navigation Bill. If we reject Senator Best's amendment purely on the ground that it will act unfairly to the Australian shipping companies we should put ourselves in an absurd position. This Bill does not deal with shipping only. It deals with combines generally.

Senator BEST.—It would not affect a shipping combine that was doing what was fair and just, and was not restraining trade.

Senator O'KEEFE. — The amendment would make it illegal for the shipping combine to grant rebates.

Senator CLEMONS.—It would stigmatize such a practice as unfair competition.

Senator O'KEEFE.—While I believe that that is so, and while I am in entire sympathy with Senator Guthrie in what I know to be his desire, that foreign shipping companies in competition with Australian-owned ships shall trade on reasonable terms, and observe the same labour conditions as prevail on our coasts, to refuse to adopt an amendment which would cover the operations of all kinds of combines, simply because of one that might be affected, would be to hamper ourselves unwisely.

Senator DE LARGIE (Western Australia) [9.39].—In discussing a matter of this kind we should take to heart the lessons to be derived from other countries. The Standard Oil Company of America actually obtained its strength from the fact that it was able to play off one railway company against another by the clever way in which it manipulated rebates. The same thing might possibly happen here. Although the amendment might apply to the shipping ring, there are many other directions in which the rebate system may unfairly operate. I do not think that the remark of the Minister of Defence to the effect that the rebate system is vicious was a bit too strong. I have already read the opinions of witnesses before the Navigation Commission, who referred to the rebate system in even stronger terms. Some spoke of it as being pernicious, others as being a menace to Australian trade, and others as a means of coercing the merchants of Australia. These are statements sworn to by trustworthy witnesses. We have also to bear in mind that there are rebates and rebates. If a rebate is given by way of discount there is

not much harm in it. But when rebates are held in hand for twelve months, and in some instances 2½ years, there is a great difference between them and harmless discounts. It is the manner in which they are manipulated that makes their effect harmful. The rebate system has been condemned by the Navigation Commission. Had it not been that, as a member of that Commission I formed strong opinions on this subject, I should not have spoken at such length this afternoon. When Senator Guthrie put his name to the report of that Commission, he indorsed that part of it which deals with rebates.

The CHAIRMAN. — I hope that the honorable senator will not pursue that subject. He is not in order in referring to it as a reason for supporting Senator Best's amendment.

Senator DE LARGIE.—I do not wish to object to your ruling; but I think that I am fairly within my rights in discussing the part of the Navigation Commission's report that deals with rebates.

The CHAIRMAN. — But the honorable senator referred to the fact that Senator Guthrie signed the report. That statement has been made several times to-day, though it does not matter much whether Senator Guthrie signed it or not. I am not objecting to the honorable senator advancing as a reason why Senator Best's amendment should be agreed to that the Navigation Commission condemned rebates, but I am taking exception to his reiteration of the fact that Senator Guthrie signed the report.

Senator DE LARGIE. — I must take notice of the challenge thrown out to me by Senator Guthrie during the afternoon. He demanded a reply there and then, knowing full well that interjections would have been condemned as disorderly. In the course of his argument he referred to the cheap labour engaged on the vessels that compete with our coasting ships; but the very companies singled out by him—

Senator GUTHRIE. — Absolutely no companies were mentioned by me.

Senator DE LARGIE.—The honorable senator referred to the Peninsular and Oriental Steam Navigation Company, and quoted the freights and fares charged by it. As far as these ocean-going steamers are concerned, there is no unfair competition on their part with our coastal trade, for the simple reason that the fares charged

by them are higher than those charged by the Inter-State companies.

Senator GUTHRIE.—But there is unfair competition.

Senator DE LARGIE. — The unfair competition, if there be any, can only arise in respect to charges for the passenger trade. As far as relates to the cargo trade, no one knows better than Senator Guthrie that the ocean-going steamers do not compete for Inter-State business.

Senator GUTHRIE.—What companies do?

Senator DE LARGIE. — The Inter-State companies monopolize the Inter-State trade. Seeing that they have the whole of that trade to themselves, and that the fares charged by the ocean-going steamers are at least 20 or 25 per cent. higher than the Inter-State vessels charge, there can be no unfair competition between them in those respects. The only way in which the competition of the oversea ships can be said to be unfair is in respect to the pay of the seamen; but, inasmuch as they do not compete for the Inter-State cargo trade, there is no need for us to take that factor into consideration.

Senator GUTHRIE.—And the honorable senator travels by the cheap labour boats!

Senator DE LARGIE.—Because I travel by them I have a better knowledge of them than Senator Guthrie has. He referred to the accommodation provided, to the disadvantage of the deep-sea vessels. Any one who has travelled by the deep-sea boats will agree with me that neither in speed, accommodation for passengers, nor in any other way, can the Inter-State boats be compared with them. I have a great respect for the manner in which Inter-State companies have in recent years improved their services. But there was great room for improvement, and they still have many things to make better before they can be said to be equal to the deep-sea lines. I regard Senator Best's amendment as an absolute necessity. If there is to be anything like fair competition—and that is one of the objects of the Bill—it is necessary that there should be a provision in the Bill to put an end to the vicious system of rebates.

Senator GUTHRIE (South Australia) [9.52].—I cannot allow such statements as those just made by Senator de Largie to go unchallenged, as it might be assumed that there was no answer to them. He stated that in respect of speed the Inter-State boats are unequal to the foreign

vessels. I point out that the *Riverina*, an Australian-owned ship, has absolutely excelled anything ever done by any ocean steamer that has ever traded in Australia in the matter of speed.

The CHAIRMAN.—Will the honorable senator proceed to refer to the amendment under consideration?

Senator GUTHRIE.—It has been said that rebates are detrimental to the growth of Australian trade. I contend that Australian ship-owners could not have built up their trade as it exists to-day had it not been for rebates. The shipping trade of Australia would be in the hands of coolies, Chinamen, and cheap European labour if Senator de Largie had his way. It has only been by a system of rebates that the Inter-State companies have been able to hold our coastal trade.

Senator BEST.—Nonsense!

Senator GUTHRIE.—If the honorable senator had had to do as I have done in fighting my way through the world, he would have known that there was no nonsense in my statement. In the London docks I have been to ship after ship asking for employment, and what did I find? In British ships I found coolies, Chinamen, lascars. Swedes, Norwegians, and Germans, all competing against me.

The CHAIRMAN.—Will the honorable senator permit me to read to him standing order No. 407—

The President or the Chairman of Committees may call the attention of the Senate or the Committee, as the case may be, to continued irrelevance or tedious repetition, and may direct such senator to discontinue his speech: Provided that such senator shall have the right to require that the question whether he be further heard be put, and thereupon such question shall be put without debate.

The honorable senator certainly has been guilty during the afternoon of repetition and irrelevancy, and I hope he will endeavour to keep more closely to the question, which is the addition of a paragraph proposed by Senator Best.

Senator GUTHRIE.—I shall endeavour to conform to your ruling, sir. I do not think that during the whole debate I have even mentioned the competition to which Australian seamen are subjected. I mentioned the competition among the ship-owners, but never since I have had the honour of a seat in this chamber, have I referred to the competition which the sea-

men have to fight against. I propose, however, to do so now, with the permission of the Chairman. Unless an industry can pay it cannot remunerate the workmen. At present the seamen have to face the competition of the whole world. What is the dumping of American harvesters compared with the dumping of foreign labour on the coast of Australia? If we abolished the rebates to-morrow we should have the cheap-labour in the world on our coast.

Senator DE LARGIE.—Wages were higher before there were rebates.

Senator GUTHRIE.—The Peninsular and Oriental Steam Navigation Company pays its deck hands 15s. 4d. per month.

The CHAIRMAN.—The honorable senator has told the Committee that several times.

Senator GUTHRIE.—Only twice. The Orient Steam Navigation Company, which is compelled to employ white labour, pays £3 a month, or about 15s. a week, to the men before the mast. Could Senator de Largie support his wife and family on such a wage in any part of Australia? Yet that honorable senator advocates the abolition of rebates, and has absolutely misrepresented me in regard to the signing of the report of the Navigation Commission. I signed that report on condition that seamen coming to Australia should be paid off at any port at which they arrived, and that those engaged in the coastal trade should be provided with proper accommodation and food.

The CHAIRMAN. — The honorable senator has three times given the reasons which prompted him to sign the report of the Navigation Commission. I trust the honorable senator will not pursue that line of argument any further, or otherwise I shall have to draw the attention of the Committee to his continued irrelevance and repetition.

Senator GUTHRIE.—Surely I have a right to make an explanation in the face of the fact that I have been misrepresented by Senator de Largie. That honorable senator did not mention the conditions on which I signed the report, and neither have those conditions yet been mentioned by me to-night. One condition was that Australian capital and labour should have the right to the Australian coast, to the exclusion of coloured and cheap labour. I am not prepared to support the abolition

of rebates, when such a step would have the result of introducing that kind of labour.

Senator DE LARGIE.—The report which the honorable senator signed recommends the abolition of rebates as soon as possible.

Senator GUTHRIE.—What I said was that as soon as the recommendations of the Navigation Commission were carried out, I should be prepared to abolish rebates. Is the honorable senator in favour of the Australian coast being retained for Australian seamen who are able to support their wives and families in comfort?

Senator DE LARGIE.—Of course I am.

Senator GUTHRIE.—If rebates were abolished, the Orient Steam Navigation Company, and other companies, would come into the trade with their cheap labour to-morrow. If it were proposed to introduce a horde of Eastern natives into the mining industry of Western Australia, this Chamber would not be sufficient to contain Senator de Largie. While not prepared to admit that labour into the mining industry, he is prepared to admit it into the coastal shipping trade.

Senator DE LARGIE.—Does the honorable senator know that he is misrepresenting me?

Senator GUTHRIE.—That is what I gathered from the honorable senator's remarks.

Senator DE LARGIE.—Mr. Chairman, is it not the practice for one honorable senator to at once accept the denial of another honorable senator? Senator Guthrie is deliberately misrepresenting me on very important matters. If the honorable senator were in ignorance of my views on those matters, I should not rise to a point of order, but he is well aware of my views.

The CHAIRMAN.—Senator Guthrie has used words offensive to Senator de Largie in reference to the introduction of coloured labour, and I hope that the honorable senator will withdraw those words.

Senator GUTHRIE.—I withdraw every word I have said. My opinion is that if the rebate system be withdrawn, it will have the effect of introducing cheap coloured labour on the Australian coast. After all, a ship is a factory, used for the purpose of enhancing the value of goods by their transport; and the introduction of coloured labour would be an absolute menace to a place like Australia.

The CHAIRMAN.—The honorable senator must recognise that he is defying both the Chair and the Committee. He is not showing sufficient respect to either the Committee or the Chair in pursuing his present line of argument, and under standing order 407 I direct him to discontinue his speech. It is open to the honorable senator to move that he be further heard.

Amendment (by Senator GUTHRIE) negatived—

That the amendment be amended by leaving out the words "or services."

Amendment agreed to.

Senator PEARCE (Western Australia) [10.8].—I think that sub-clause 2 could be considerably improved, because at present it is certainly open to two interpretations. What is intended is that the Court shall have regard to the efficiency of the management, and so forth, being equal and up-to-date; but the sub-clause is open to the construction that if one factory is inefficient and out-of-date, the competition of an efficient and up-to-date factory shall be regarded as unfair. With a view to more clearly expressing the intention of the clause, I move—

That the words "the efficiency of," in sub-clause 2, line 17, be left out, and that the following words be added to the sub-clause: "being reasonably efficient, effective, and up-to-date."

Senator PLAYFORD (South Australia—Minister of Defence) [10.10].—Senator Pearce was good enough to show me the proposed amendment, and I am prepared to accept it as making the intention of the sub-clause clearer. The Bill, of course, will have to go back to another place, and if the amendment is there found to be objectionable by those who have a greater knowledge of the subject than I have, there will be another opportunity to consider it.

Amendment agreed to.

Clause, as amended, agreed to.

Progress reported.

ASSENT TO BILLS.

Assent to the following Bills reported:—

Meteorology Bill,

Designs Bill,

Judiciary Bill.

Senate adjourned at 10.16 p.m.

House of Representatives.

Tuesday, 28 August, 1906.

Mr. SPEAKER took the chair at 2.30 p.m., and read prayers.

BOUNTIES BILL.

Sir WILLIAM LYNE (Hume—Minister of Trade and Customs) [2.31].—By leave of the House I desire to move—

That the proceedings in Committee on the Bounties Bill, which lapsed on Friday last, be resumed, and that the House will, this day, resolve itself into a Committee of the Whole for the further consideration of the Bill.

Mr. JOHNSON.—I object.

PERSONAL EXPLANATIONS.

COUNT-OUT AT LAST SITTING.

Mr. KELLY (Wentworth) [2.33].—I desire to make a personal explanation. It has been stated in the press and elsewhere, during the last few days, that before the honorable member for Bourke, the Government Whip, left the House last Friday morning, he made an arrangement with me which would have precluded me from taking the steps which led to the exposure of the inability of the Government to keep a quorum. In an interview with a representative of the *Melbourne Herald*, published on Friday afternoon, the Government Whip is reported to have said—

I had to address one of the mid-day protectionist meetings. Before leaving the House, I saw Mr. Chapman, the Postmaster-General, and asked him to look after matters in the House for me. Mr. Chapman said—"You had better see Mr. Kelly (the acting whip on the other side) and arrange for pairs and other matters." It is always a matter of honour with the whips during the absence of one of them, that the other will not take any unfair advantage.

I saw Mr. Kelly, and told him that I would be away until two o'clock, and that I had arranged with Mr. Chapman the details of pairs and other matters. Mr. Kelly said "All right." I returned before I had expected, but by that time a number of members had left, and there was no quorum.

On Friday the honorable member saw me in the Opposition room, where I was writing letters, and told me that he was going away, but that in his absence the Postmaster-General would act as Whip, and would arrange for pairs in connexion with any divisions which might occur. He did not speak of any other matter. The possibility of a quorum not being present was

not mentioned, and no arrangement was made with me in regard to the keeping of a quorum. Evidence of the correctness of what I say exists in the fact that he told me that the Postmaster-General would, in his absence, look after divisions, and, if there had been a division, how could the Government have prevented a count-out in the absence of a quorum? The honorable member made no arrangement with me in regard to the keeping of a quorum; he did not suggest that the Opposition should connive at the evasion by the Government of its constitutional responsibility to keep a quorum for the transaction of public business. I am therefore inclined to think that he must have been misunderstood or misreported by the *Herald* interviewer. Nothing transpired during the conversation with me which could have inspired the honorable member with the belief that an arrangement had been entered into between us for the keeping of a quorum. There was no such arrangement. Furthermore, when the count-out occurred, of the five Ministerialists in the Chamber, the only private member present was the honorable member himself. As he was here to see what was happening, that disposes of the ridiculous contention that I was guilty of a practically dishonorable act in calling for a quorum while he was away. A blackguardly attack was made upon me yesterday by the *Melbourne Age* in connexion with this matter. It is not my custom to take notice of newspaper criticism, especially not of libels emanating from a journal which daily prostitutes its talents in the services of Sapphira; but I cannot allow the virulently mendacious attack to which I refer to pass without comment, even though appropriately enough this newspaper has erected over its portico a statue of Mercury, the patron of thieves and liars. The article to which I refer is as follows:—

There is a code of honour, it is said, even among thieves, and Mr. Chapman says there is one amongst politicians, and particularly amongst the Whips who marshal them. Men have to play the game or be ostracised. . . . It is certain that on Friday the Opposition broke all recognised rules in bringing the sitting to an end with a "count out." This it was that caused the Government to cry "A foul!" A "count out" is a part of the game, too; but it has to be brought about according to the code. Friday's "count out" was a breach of political honour, and hence the Ministerial indignation. The standing orders fix a quorum of the Chamber at twenty-five. Any member may object to going on with business if there are fewer mem-

bers present. Very often there are not half that number, and no notice is taken, because it is known that they are in the precincts of the House and available on call. But if from any cause those in Opposition can seize a time when there are not twenty-five Government supporters within hail, they can leave the Chamber with only two or three of their number to demand a count out. And that is a quite legitimate part of the game as it is played. To guard against such a thing, it is the duty of the Ministerial Whip, when Government supporters desire to leave the Chamber in any unusual numbers, to make an agreement with the Opposition, and such agreements constitute a code of honour. On Friday that was done.

I have shown that it was not done. The article continues—

Mr. Hume Cook told Mr. Kelly that he and some other members desired to be absent for a couple of hours during the adjournment for dinner. The latter acquiesced, and that bound him. But no sooner were these members absent, together with a few others who left early for lunch, than Mr. Kelly drew the Speaker's attention to the want of a quorum, with the necessary effect that, as none could be obtained within a few minutes, Parliament had to rise for the week, and the business before the House had to be sacrificed. Mr. Deakin characterized this in his Maryborough speech as "watching men off to their lunch, and then counting out the House before they could get back."

In palliation of this dishonorable trick it may be urged by its impish perpetrator that the Opposition had more members in the House than the Government had. And that is true. But the time was 12.45 p.m., only a few minutes before adjournment, when members leave for lunch with a sense of security, relying upon each other to at least abstain from the tactics of a political welsher. However, there are some natures which no honour binds when expediency seems to perceive advantage in a dodge. There was no party gain in the spiteful little piece of cunning, and there was, of course, no public purpose to serve, but only a loss of valuable public time. There was the petty gratification that a Quilp might feel in pinching his wife's arm or in belabouring his wooden figure with the blows of his waddy. It was an act that brands the Opposition Whip as contemptible amongst his fellows, but as that does not alter his previous status, the people are the only sufferers. It might be well, however, if Ministers, to mark their sense of the meanness of the deception that was practiced on their own Whip, should refuse to hold any further intercourse with the offender for the rest of the present Parliament.

The remainder of the article is not relevant to myself. Those statements can, I think, best be shown to be false by comparing the present attitude of the newspaper with that which it took up on a similar occasion a couple of years ago. By such a comparison I shall prove, out of the mouth of the *Age*, that its mendacious attack upon me was absolutely

without justification. The House was counted out on Friday, the 9th September, 1904, a few minutes after the resumption of proceedings following the luncheon adjournment, when a luncheon party was being held within the precincts of the Chamber. This is what the *Age* said of that occurrence:—

After the adjournment for luncheon a curious thing happened. When Sir William Lyne resumed there were only nineteen members present. The member for Hume looked about him, and made a signal to Mr. Thomas, member for Broken Hill. That honorable member promptly jumped up and called attention to the state of the House.

Sir WILLIAM LYNE.—Surely the honorable member does not believe that.

Mr. KELLY.—I am quoting the *Age*. The article proceeds—

This extraordinary contretemps created not a little dismay in the Ministerial ranks, and some degree of humour at the expense of the Government. Almost at the very inception of its term of office, and of an important debate, the Government had failed in its responsibility to keep a House. The two Ministers in the Chamber appeared to be panic-stricken. Here was evidence of a fine capacity to conduct the business of the country! Sir John Forrest was entertaining the Prime Minister and others upstairs at a luncheon, but where was the newly appointed Government Whip, Mr. Wilks? Why did he not keep a House? The episode was regarded as a further conclusive proof of the demoralization of the House under its present leadership.

Sir William Lyne, who was speaking at the time of the count-out, was by no means displeased at the turn of events. He had several strong criticisms to level against the Prime Minister, he said, and he was not going to continue with them while Mr. Reid persisted in running away. According to all precedent the Government is responsible for the transaction of public business, and must bear the responsibility of keeping a quorum.

Apart from the member for Hume, members strongly expressed the opinion that a Government which neglected its duty in this fashion, which deserted its post to allow public affairs to look after themselves, and which in a craven way refused to face criticism, must be brought to account with promptitude. The "count out" probably did more than anything else could have done to hurry up a no-confidence motion.

That was the view taken by the *Age* newspaper in regard to a similar occurrence during the life-time of a Government to which it was opposed.

Mr. TUDOR.—Was the *Age* opposed to the Reid-McLean Government?

Mr. KELLY.—If it had not been opposed to that Government, the honorable member for Barrier would have received treatment similar to that received by me yesterday in its scoundrelly leader.

Mr. THOMAS.—But I did not intentionally count the House out.

Mr. KELLY.—This is what the *Age* said when the House was counted out on the 2nd November, 1904:—

While the Opposition is not fulfilling the threat of some of its members to give the Government no quarter, it can be depended upon to embrace opportunities for embarrassing Ministers when those opportunities prominently present themselves. On two occasions the Government has neglected to keep a House. On Wednesday night there was a "count out" almost at the usual hour of adjourning, and the Treasurer yesterday wanted to evade the penalty for this neglect by replacing the lapsed estimates on the notice paper, going on as if nothing had happened. Oppositionists were not inclined to be so lenient. They might be as anxious to get into recess as the Government, but like all true oppositionists, they must support the standing orders.

Having quoted those statements, I have done with this newspaper. It has shown itself so unworthy in all its political criticism, from whatever stand-point directed, that I thought I could not do better than answer its lies out of its own mouth. The Prime Minister and others sitting on the Ministerial side of the Chamber, have said that I deliberately counted heads before calling attention to the state of the Committee. To that charge my reply is that on Friday morning I did not enter either the Labour room or the Ministerial room, and I therefore leave it to the Government to explain how I could have counted heads. The best evidence of the falsity of the charges which have been made by the Government in its extraordinary indignation at this exposure of its inability to maintain a quorum, lies in the fact that of the three parties represented in the Chamber when attention was called to the state of the Committee, the members of the Opposition, who were in no way responsible for the keeping of a quorum, were proportionately a larger representation than were the members of the other parties present.

Mr. HUME COOK (Bourke) [2.45].—I also wish to make a personal explanation with respect to what occurred on last Friday. The statement of the honorable member for Wentworth is correct to a certain degree, but I think that it is necessary that I should give my version of what took place. What happened was this: I found it necessary to leave the House for about two hours, and, in the ordinary course of business, I communicated with the Postmaster-General, to whom I usually refer upon such occasions of the kind—I think

that I had been under the necessity of doing so only three times since I have held my present position. The Minister said—"You had better see the Acting Whip of the Opposition, the honorable member for Wentworth, tell him how things are, and put him on his honour as to the state of the House." I think that the Postmaster-General added: "If you do that, things will be as safe as a church." My answer was that I did not think it necessary to put the honorable member for Wentworth upon his honour, but that I would inform him of the circumstances, and that it would then be all right. I saw the honorable member for Wentworth and told him that I would be away until two o'clock, and asked him to see the Postmaster-General if it were found necessary to arrange for any pairs. I did not ask him not to count out the House. I did not make any particular or special arrangement with him as to that or anything else. If one had to make a special arrangement of that kind in every such case, it would be necessary to enter into a solemn compact half-a-dozen times a day.

Mr. ROBINSON.—How often has the honorable member helped us?

Mr. HUME COOK.—In every way I could. I have always arranged the business with the view to meeting, as far as practicable, the wishes of honorable members of the Opposition, and I am sure that not a single honorable member can say that he has been inconvenienced by any act of mine. I did not think it necessary to enter into any special arrangement upon the occasion referred to, because I naturally expected that the business would be allowed to proceed in the ordinary way. As proof that there was an understanding in this respect, I desire to point to the fact that the honorable member for Lang, who now significantly objects to the restoration of the Bounties Bill to the business-paper, arranged with the honorable member for Yarra that there should be no count-out.

Mr. TUDOR.—No; he did not say there should not be a count-out.

Mr. HUME COOK.—I understand that the honorable member for Yarra desired to go to lunch and that he saw the honorable member for Lang, who stated that rather than permit a division to be taken before lunch he would keep the debate going.

Mr. TUDOR.—I asked the honorable member for Lang whether he thought there

would be a division before 1 o'clock, and he said "No."

Mr. HUME COOK.—And I understood he also said that the business should be kept going until 1 o'clock. The honorable member for Lang told me that he had agreed that the debate should be kept going until 1 o'clock, which I understood to mean that there would be no count-out, but that business would be permitted to proceed in the ordinary way. If the honorable member for Lang states that what I now say is incorrect, all I can add is that I misunderstood him. What I have stated tends to prove that there was an understanding on both sides of the House that the business was to be allowed to proceed in the ordinary way. It is well known that at noon on Fridays honorable members who have to leave Melbourne are busy making arrangements for their departure, and no advantage has, so far, been taken of that fact. I admit that it is the duty of the Government to keep a quorum, but I would point out that the circumstances connected with the previous count out were entirely different from those which surrounded the proceedings on last Friday. Upon the previous occasion no arrangement was entered into, nor was any undertaking given.

Mr. KELLY. — That count-out also occurred on a Friday.

Mr. HUME COOK. — If an arrangement had been made between the representatives of both sides upon the previous occasion no attempt would have been made to count out the House. I know that the previous count out took place on a Friday, and I am further aware that the statements made with regard to the dinner that took place on that occasion are true. It is also quite possible that the bells may not have been heard by some honorable members who were within sufficiently easy reach of the Chamber to attend and help to make a quorum. The circumstances, however, were entirely different from those on Friday last, when a number of honorable members went away in the full belief that no tricks would be played. They felt satisfied that the honorable understanding would be observed, and that there was no danger of their being deprived of an opportunity to vote, or of any business lapsing.

Mr. FISHER.—I rise to a point of order. I think that it is a serious reflection upon the House that twenty minutes should be

two honorable members that might very easily be dealt with outside, or in the press. I desire to know whether extended explanations, such as those to which we have listened are in order, unless a motion is moved which will enable other honorable members to take part in the discussion.

Mr. SFEAKER.—It is always a matter for deep regret when honorable members indulge in very long explanations. I do not think that such explanations do so much service as those who offer them may think. At the same time, it has always been the custom of this, and of every other Parliament of which I have any knowledge, to allow very considerable latitude to an honorable member who feels aggrieved, even though the grievance may appear trifling to other honorable members. I should be very sorry to restrict the rights and liberties of honorable members in this respect, but I hope that they will refrain from making explanations at length, and especially from making them in such a form as to provoke other explanations, and practically give rise to a prolonged debate.

Mr. TUDOR (Yarra) [2.50].—I desire to make a personal explanation in connexion with the leading article which appeared in the *Argus* relating to the matter under discussion. The comments of the writer show that either he is blindly prejudiced, or absolutely ignorant of what transpires in this Chamber. If the members of the Labour Party, like prominent members of another party, were to complain of every unfair comment that is made in the press, they would occupy the whole of the time of the House. In yesterday's *Argus* the following statement appeared—

The Watson Ministry managed to secure a count-out in the House of Representatives.

That is absolutely incorrect. The person who wrote that statement endeavoured to convey the impression that whilst the Watson Government were in office the House was counted out. As I happened to be the Government whip at that time, I should take it as a reflection on myself if a count out had taken place. If the writer of the article will take the trouble to examine the records of the House for the three and a half months during which the Watson Government were in office, he will find that no count out occurred. I have a distinct recollection of the two count-outs, which

Ministry occupied the Treasury bench. The *Argus*, which backed up that Ministry, however, forgot to mention the events referred to. I would recommend the *Argus* to exercise a little more care, and to confine itself to accurate statements. With regard to the events of last Friday, I may mention that as I was about to go to lunch I saw the honorable member for Lang, and asked him if there was any likelihood of a division taking place before lunch. He said he thought not, and that, if necessary, he would keep the business going.

Mr. JOHNSON (Lang) [2.55]. — I had not intended to trouble the House with a personal explanation, but as my name has been mentioned, it is only fair to myself that I should make some explanation as to my connexion with the events under review. So far as I am concerned, what happened was this: At about twenty minutes to 1 o'clock I was on my way to the library, when I met the honorable member for Yarra, accompanied by several others, who were about to go to lunch. The honorable member for Yarra said, "I suppose there will not be any division before lunch." I said that I could not answer for that absolutely, but that I did not think so, because the honorable member for New England had just risen, and I thought that he would in all probability cut out the time until 1 o'clock. I added that I did not think that there would be any division, because, if necessary, I would keep the debate going until the adjournment for lunch.

Mr. KELLY.—But the honorable member did not know that there would be a count-out in the meantime.

Mr. JOHNSON. — No. When I returned to the Chamber, I was surprised to find that the honorable member for New England had concluded his speech, and that the honorable member for Kooyong was addressing the Committee. As soon as the latter honorable member had concluded, at about a quarter to 1 o'clock, I rose with the object of continuing the debate, but simultaneously the Minister in charge of the Bill, the Vice-President of the Executive Council, also rose, and suggested that the adjournment for lunch might at once take place. I was thus prevented from speaking, and then the honorable member for Wentworth suggested that it would be desirable to have a quorum

before an adjournment was made for lunch.

Mr. HUME COOK.—Had no consultation taken place among the members of the Opposition?

Mr. JOHNSON.—There was no conspiracy organized by the Opposition, as alleged by the Prime Minister, to effect a count-out by calling for a quorum. I believe that, as a matter of fact, the Postmaster-General was to blame for what occurred, because in an audible whisper he advised the Minister in charge of the Bill—

Mr. SPEAKER.—The honorable member must confine his remarks to an explanation of his own conduct.

Mr. JOHNSON.—I shall content myself with what I have already stated.

Mr. DEAKIN.—The count-out was a wicked waste of public time.

Mr. JOSEPH COOK.—We have had a wicked display of bathos on the part of the Prime Minister.

Mr. AUSTIN CHAPMAN (Eden-Monaro—Postmaster-General) [2.59].—As my name has been brought into this matter, and it has been stated in the press that I was mainly responsible for what happened on Friday last, I wish to say a few words in explanation. I was attending to some business in the Ministerial room when the honorable member for Bourke came to me and stated that he desired to leave the House until 2 o'clock. I asked him before doing so to see the Opposition Whip and to put him on his honour as regards the business of the House. That is the usual practice, and it is the one which was followed during the whole time that I occupied the position of Government Whip. It was the only arrangement which it was necessary to make. For example, when I was about to visit England, I merely informed the honorable member for Macquarie of the fact, and his reply was, "I will see that everything is all right." There was never any occasion to bind him down to an agreement of that sort. That is why I said to the honorable member for Bourke, "Put the honorable member for Wentworth upon his honour." Of course, I do not know what the honorable member for Bourke said to the honorable member. I was not aware whether there was a quorum within the precincts of the building at the time of which I am speaking, but I was informed in the Ministerial room that the honorable

member for Wentworth was arranging for a count-out.

Mr. KELLY.—Who informed the Postmaster-General?

Mr. AUSTIN CHAPMAN.—I do not go "blabbing" around information which is imparted to me confidentially, and, therefore, I do not intend to reveal the name of my informant. If the honorable member for Wentworth is sincere in his statement that the charge levelled against him is absolutely false, I should like him to definitely say that he did not arrange in any way to secure a count-out. Let him say that. When I entered the Chamber the honorable member was in close consultation with honorable members of the Opposition. It was about fourteen or fifteen minutes to 1 o'clock, and, as we have often risen before the ordinary hour for luncheon, in order to allow of amendments to Bills being framed, I suggested to the Vice-President of the Executive Council that he should consent to an adjournment. I did so, believing that my information was good, and that it was the intention of the honorable member for Wentworth, if possible, to count-out the House. It transpired that my anticipation was correct, because immediately the Vice-President of the Executive Council rose, the honorable member—who had not had time to arrange with some other honorable member to act for him—himself called attention to the State of the Committee. Let the honorable member deny—if he can—the statement that he took steps to arrange for a count-out.

SUGAR BOUNTIES.

Mr. CULPIN.—I wish to direct the attention of the Minister of Trade and Customs to the following statement which appeared in the *Brisbane Courier* of Friday last:—

The Mossman canegrowers are experiencing considerable delay in obtaining payment of bounty claims, which amount to between £300 and £400 weekly. The head office, it is stated, only remits a comparatively small amount, and then awaits the return of the farmers' vouchers before further remitting. The funds available are only sufficient to meet half the claims. Unless the present arrangements are altered, the payments at the end of the crushing will be at least £10,000 in arrears, and at the rate of £400 per fortnight the final payment on the present season's cane will not be made till late in 1907—a prospect which the farmers never contemplated when registering. The mill directors have wired a protest to the Collector of Customs in Brisbane.

I should like to know whether the Minister will inquire into the matter.

Sir WILLIAM LYNE.—I heard, only this morning, that some dissatisfaction existed with regard to the payment of the bounties, but upon inquiry I found that the officers in my Department knew nothing about the matter. The bounties are paid over by the Treasury, and perhaps, the Treasurer can afford the honorable member some information upon the question.

MR. CHARLES ATKINS.

Mr. THOMAS.—I desire to ask the Minister of Trade and Customs the following questions:—

1. Was Sir William Lyne at Ballarat on Friday last addressing a political meeting in connexion with Mr. Charles Atkins?

2. Is this the Mr. Charles Atkins who is the accredited protectionist candidate for the Senate?

3. Is this the same Mr. Atkins who, when President of the Victorian Chamber of Manufacturers, stated that "The Labour Party should be made thoroughly to understand that the manufacturers had no intention of selling themselves in any way for Tariff purposes, and his advice to them was 'to fight for the Tariff and freedom of contract.'"

4. Does Sir William Lyne indorse that doctrine, and does he think that a person who advocates freedom of contract is a fit and proper person with whom to hold political meetings?

Sir WILLIAM LYNE.—In answer to the honorable member, I may say that I was at Ballarat on Friday night addressing a public meeting. I was asked to attend by the honorable member for Melbourne Ports. I did not know who was to be present, and I must say that this is the first occasion upon which I have heard the statement, which the honorable member for Barrier has just made, regarding an utterance by Mr. Atkins.

Mr. TUDOR.—He made that statement most definitely.

Sir WILLIAM LYNE.—I did not know anything about that. The honorable member for Melbourne Ports informs me that the invitation to attend the meeting came direct from Ballarat. The meeting which I addressed was—

Mr. FISHER.—A very successful one.

Sir WILLIAM LYNE.—I was very successful; but I scarcely know what sort of a meeting it really was.

Mr. THOMAS.—What does the Minister think of a protectionist candidate who "barracks" for freedom of contract?

Sir WILLIAM LYNE.—The paper which was placed in my hand described the

policy of the promoters of the meeting as being of a "non-party and non-political character." I told them that I did not understand what sort of a party that could be. I repeat that until now I have never heard of the utterance of Mr. Atkins which has been quoted by the honorable member for Barrier.

CASE OF CAPTAIN STRACHAN.

Mr. BROWN.—I wish to ask the Prime Minister when the papers in the case of *Strachan v. The Commonwealth* will be available for perusal by honorable members? Some time ago, I understood that they were to be laid upon the Library table.

Mr. DEAKIN.—I was under the impression that they had been received and laid upon the table of the Library. I know that they had to be obtained from the Court in Sydney, but understood that they had been received. I will make inquiries into the matter.

ELECTORAL ROLLS.

Mr. TUDOR.—The *Age* of Monday last contained a paragraph which stated that it is the intention of the Electoral Department to print the chief electoral rolls, giving only the names of those who were enrolled prior to the 16th of July. It added that persons enrolling after that date would be listed upon a supplemental roll. I wish to ask when that supplemental roll will be published?

Mr. GROOM.—The principal rolls for all the States will be printed on or about the date mentioned, but they will contain more than the names of electors who were enrolled prior to the 16th of July. In New South Wales and Victoria, for example, they will contain the names of persons who have been enrolled upon specific claims, and of others who have been enrolled upon the information collected by the police. In fact, in all States they will include the names of all electors whom the electoral officers are satisfied are entitled to enrolment. In some of the States these rolls will be printed earlier than they are in others. Then the supplemental rolls will contain all the names of electors who are qualified to vote, and have applied for enrolment up to the time of the issue of the writs. The desire of the Department has been to include upon the principal rolls the names of as many elec-

tors as possible, so that the supplemental lists may be as small as possible.

SELECT COMMITTEES AND ROYAL COMMISSIONS.

Mr. WILKS.—I desire to ask the Prime Minister when the information relating to the cost of Select Committees and Royal Commissions, which was ordered to be furnished upon the motion of the honorable member for New England, will be presented to honorable members?

Mr. DEAKIN.—It was submitted to me for the first time this morning, and needs only the headings to make it complete. It ought to be available either to-day or early to-morrow.

OVERSEA SHIPPING.

Mr. CARPENTER.—I wish to ask the Prime Minister whether his attention has been called to the fact that the President of the Board of Trade is about to appoint a Commission to inquire into the question of rebates connected with oversea shipping? As this is a matter which closely affects Australian trade, will he take all necessary steps to have such representations made to that body as will put before it the position as it affects our trade?

Mr. DEAKIN.—I am aware that it is proposed to appoint such a Commission, and it will probably contain a representative of Australia. However, I am not yet fully informed of its scope, or of its intention, so far as the matter to which the honorable member has alluded is concerned. However, I will take steps to obtain all the necessary particulars.

RIFLE RANGES.

Mr. KELLY asked the Minister representing the Minister of Defence, *upon notice*—

1. How many rifle ranges are leased from private owners?
2. What is generally the tenure of such leases?
3. How many rifle ranges are on land owned by the Commonwealth?

Mr. EWING.—The answers to the honorable member's questions are as follow:—

1. 222.
2. From one to three, five and ten years.
3. 134.

PAPERS.

MINISTERS laid upon the table the following papers:—

Transfers of amounts approved by the Governor-General in Council under the Audit Act, financial year 1905-6 (dated 24th August).

Amended Public Service regulations, Nos. 153, 155, 168, 199, allowances and telegraph messengers, Statutory Rules 1906, No. 66.

Recommendations, &c., and approval of Samuel McHutchison's promotion to the position of clerk in charge, Crown Solicitor's office, Sydney.

REFERENDUM (CONSTITUTION ALTERATION) BILL.

Motion (by Mr. GROOM) agreed to—

That leave be given to bring in a Bill for an Act relating to the submission to the electors of proposed laws for the alteration of the Constitution.

Bill presented and read a first time.

TARIFF.

DUTIES ON AGRICULTURAL MACHINERY AND IMPLEMENTS.

In Committee of Ways and Means:

Sir WILLIAM LYNE (Hume—Minister of Trade and Customs) [3.12].—I beg to move—

That in lieu of the duties of Customs imposed by the Customs Tariff, 1902, on the items shown in the attached schedule, duties of Customs shall from the 28th day of August, 1906, at 4.30 p.m., Victorian time, be imposed as follows:—

SCHEDULE.

Fixed Rates.

Stripper harvesters, each £16.

Strippers, each £8.

Metal parts of stripper harvesters and strippers, per lb., 2½d.

Ad Valorem Rates.

Stump jump ploughs, disc cultivators, winnowers, horse and other power, combined corn sheller, husker, and bagger, combined corn sheller and husker, *ad valorem*, 25 per cent.

Ploughs, other, plough shares, harrows, chaff cutters and horse gear, cultivators other than disc, scarifiers, plough mould boards, corn shellers, corn huskers, *ad valorem*, 20 per cent.

The following goods shall be free of Customs duty:—

Manufactures of metal, viz.:—Hand-worked rakes and ploughs combined, hay tedders, maize harvesters, maize binders, maize planters, mould board plates in the rough and not cut into shape, potato sorters, potato raisers or diggers.

I submit this motion in lieu of the resolution which I moved some time ago, and which embodied the recommendations made by the Tariff Commission upon these particular items. The present proposal differs from the former resolution only in this respect: that it is considered by the Department and by myself much more satisfactory to impose a specific duty upon harvesters and strippers than to levy an *ad valorem* duty. Honorable members will

recollect that in the past a good deal of trouble has been experienced on account of the impossibility of ascertaining the correct *ad valorem* duty which should be collected upon these goods. Any further trouble in that connexion will be obviated if, upon these two classes of machinery, resort be had to specific duties.

Mr. KELLY. — At what rate does the specific duty proposed work out?

Sir WILLIAM LYNE.—At about 25 per cent. It is five shillings less than the *ad valorem* duty recommended by the Tariff Commission.

Mr. KELLY.—That statement is based upon the Minister's arbitrary valuation of harvesters?

Sir WILLIAM LYNE.—It is based upon a proper valuation.

Mr. LONSDALE. — The Minister knows that it is not.

Sir WILLIAM LYNE. — Sometimes honorable members say that I know nothing.

Mr. LONSDALE.—The honorable gentleman does not know very much.

Sir WILLIAM LYNE.—I know quite enough for the honorable member. The basis upon which this has been arrived at is the valuation of £65 placed on these machines. As I explained just now, our proposal will, if adopted, save the Department a great deal of trouble—it will avoid the necessity of communicating with the States and with Canada. If we had had in the first instance a specific duty much of the difficulty that has arisen would have been obviated.

Mr. LONSDALE.—It is a piece of political thieving.

Mr. MCCAY.—Is the Minister making any condition as to price?

Sir WILLIAM LYNE.—It is unnecessary to embody in the motion the conditions as to price, but I shall lay upon the table a short memorandum showing what the Government propose to embody in the Bill to prevent a combination charging more than a certain price for these machines without losing the advantage of a portion, if not the whole, of the duty. The Bill, which I shall not prepare until the motion has been dealt with, will provide that the cash price of 5-foot stripper-harvesters must be reduced by the end of 1906 to £70. I wish to emphasize the point that the Tariff Commission recommended that the price should not exceed

£81. That, to my mind, would be an outrageous charge.

Mr. LONSDALE.—Then the honorable gentleman does not think that £65 is a fair price for the imported machines?

Sir WILLIAM LYNE.—I have heard that statement so often that it is unnecessary for the honorable member to repeat it.

Mr. LONSDALE.—But the two things do not fit.

Sir WILLIAM LYNE.—I have no wish to listen again to a tirade of abuse such as that to which I have been subjected. The Bill will also provide that the price of the 5 ft. 6 in. harvester shall be reduced by the end of 1906 to £75.

Mr. ROBINSON.—They can be bought for £71.

Sir WILLIAM LYNE.—The honorable and learned member goes about the country talking in a blustering way of things about which he knows absolutely nothing. I shall show how little he knows of this subject. Before we fixed the Customs valuation of £65 upon the 5 ft. 6 in. harvesters, the selling price in Melbourne was £84.

Mr. LONSDALE.—Who sold at that price?

Sir WILLIAM LYNE.—All the firms concerned.

Mr. LONSDALE.—No.

Sir WILLIAM LYNE.—Then again, the price of the 5 ft. harvester was £81. I propose that the price of these machines shall be reduced by the end of 1906 to £75 and £70 respectively, with a further reduction by the end of 1907 to £70 for the larger size, and to £65 for the smaller size. Failing such reductions, power will be taken to reduce the import duties, by proclamation, or resolution of the House, to an amount to be determined by such proclamation or resolution, not to be less than one-half of the new duties imposed. I said that the honorable and learned member for Wannon did not know anything about present prices. I have before me the price-list of one of the local makers of these machines.

Mr. PAGE.—What about wages conditions?

Mr. HUME COOK.—Will the Massey-Harris Company pay fair wages?

Mr. PAGE.—If we are going to have protection for the manufacturer, we must have protection for the worker.

SIR WILLIAM LYNE.—I hope that the honorable member for Maranoa will not fly at me so impetuously.

Mr. PAGE.—I am flying not at the Minister, but at the Government Whip.

Sir WILLIAM LYNE.—I think—and I believe it is the desire of the Committee—that some conditions will have to be imposed in the Bill, or a Wages Board will have to be appointed, to prevent the payment of unduly low wages to those engaged in the industry.

Mr. TUDOR.—And to prevent the employment of too many boys.

Sir WILLIAM LYNE.—I hope that the honorable member will allow me to deal with one matter at a time. I cannot go into every detail in submitting this bald motion which is intended really for the information of the Committee, and is not part and parcel of the Bill to be hereafter submitted. I recently met a member of the firm of Hugh Lennon and Co., who directed my attention to a statement which appeared in the *Argus* of 22nd and 24th instant, to the effect that, in consequence of the motion submitted by me, in accordance with the recommendations of the Tariff Commission, the price of harvesters had been increased. The gentleman in question gave me his business card, showing that the prices charged for these machines are £75 for the smaller size and £80 for the larger size, and that these prices have prevailed ever since the ring that was in existence was partly, if not wholly, dissolved.

Mr. JOHNSON.—The ring in which Mr. McKay joined.

Sir WILLIAM LYNE.—And in which the Massey-Harris Company and the International Harvester Company also took part.

Mr. LONSDALE.—They were all in it.

Sir WILLIAM LYNE.—The honorable member's friends were members of the ring.

Mr. CROUCH.—The men who will provide funds for the free-trade party.

Mr. LONSDALE.—They were all in it.

Sir WILLIAM LYNE.—I never said that they were not; I believe that they were all in it. This constant harping on the name of McKay Brothers—

Mr. LONSDALE. — Have we not seen them in the gallery talking to the honorable gentleman? It is disgraceful.

Sir WILLIAM LYNE.—And have not honorable members seen the Massey-Harris and the International Harvester people

talking to the honorable member? I know that I have.

Mr. HUME COOK. — How much have they donated to the funds of the other side?

Mr. LONSDALE. — I wish they would make a donation to me.

Sir WILLIAM LYNE.—No doubt the honorable member would take it.

Mr. ROBINSON. — Following the Minister's example.

Sir WILLIAM LYNE. — Honorable members cannot accuse me of ever having done anything of the kind. I hope that the Chairman of the Tariff Commission will not join issue with me on this question. No doubt the Commission have done the best they could; but I feel that, given the protection suggested, the regulation of future prices as they propose, would not be sufficient from the stand-point of the purchaser and the public.

Mr. JOHNSON.—The honorable gentleman does not believe, as he did a little while ago, that the crying need of the country is fiscal peace.

Sir WILLIAM LYNE.—The honorable member is always talking rubbish; no one takes the slightest notice of what he says. It is for the reason I have indicated that the Government propose at the present time not only to protect the manufacturer, but the purchasers and users of these machines.

Mr. HUME COOK.—And the workmen engaged in the industry.

Sir WILLIAM LYNE.—Certainly. I am very glad that the honorable member for Maranoa referred by interjection to that phase of the question. If there is one thing I desire more than another it is that the weaker section of the community shall be fairly paid. I desire that the workers shall be protected just as strongly as I wish to secure protection for the manufacturer. If honorable members require further information as to the number of machines imported, I shall be prepared to supply it at the proper time. I may mention that the proposal to place on the free-list certain articles which are at present dutiable will not come into force until the Bill has been passed. At the present moment hand-worked rakes and ploughs combined, maize harvesters, maize binders, maize planters, moulding boards in the rough and not cut into shape, and potato raisers or diggers are on the free-list, and it is proposed to add hay tedders and

potato sorters to the list, for the reason that it seems that they are not manufactured here, and that probably, if they were not made free, as recommended by the Commission, the price would be unduly increased. I shall be glad at the proper time to give honorable members all the information that is required in regard to this matter, but I do not think that it is necessary at present to do so.

Progress reported.

SPIRITS BILL.

SECOND READING.

Sir WILLIAM LYNE (Hume—Minister of Trade and Customs) [3.31].—I move—

That the Bill be now read a second time.

The object of the Bill is to give effect to the resolution agreed to by the Committee of Ways and Means for the imposition of duties of import on spirits, and to carry into effect the recommendations of the Tariff Commission on the subject. This is done in greater detail than it has hitherto been the practice to adopt. In one or two respects, however, the measure requires amendment. For instance, medicines are to be interpreted to include "medicines for internal or external application." It has been pointed out to me that if that interpretation were left as it stands, injustice would be done, and unnecessary expense would have to be incurred. I therefore propose to add the words, "other than liniments and veterinary medicines." I also propose to amend the provisions relating to "methvlated spirit," because I have been informed that, for some time past, the law has been abused, owing to the practice of illegally treating the spirit so that it can be sold for human consumption. This, of course, is an evasion of the Tariff, with which I propose to deal very stringently. Scents are interpreted to include "all liquid preparations of perfumery and liquid preparations for toilet purposes." That interpretation and the definition of 'Australian standard brandy, which has already gained a high reputation, carry out the recommendations of the Tariff Commission. Clauses 10 and 11 provide—

10. After the twenty-eighth day of February One thousand nine hundred and seven, no imported spirits shall be delivered from the control of the Customs for human consumption unless the Collector of Customs for the State is satisfied that the spirits have been matured by storage in wood for a period of not less than two years.

11. Spirits distilled in Australia shall not be delivered from the control of the Customs for human consumption unless they have been matured by storage in wood for a period of not less than two years.

It has been reported to me that those provisions will cause a good deal of trouble and, perhaps, create injustice unless we make arrangements for a supply of spirits during a period in which no supply would otherwise be available. With a view to partially meeting the difficulty, I have already decided that no further action shall be taken until the 1st March next.

Mr. GLYNN.—That will not be sufficient for wine spirit, although it may be sufficient for molasses spirit.

Sir WILLIAM LYNE.—In Committee I shall place my information clearly before honorable members, and leave them to take the responsibility of making an alteration. If the words "two years" are allowed to remain as they stand, I shall have no power to do other than see that the provisions are complied with.

Mr. GLYNN.—If the period is altered there must also be an amendment of the Excise Tariff Bill.

Sir WILLIAM LYNE.—Yes. But I shall have no power to extend the time if the provision remains as it is. The term "two years" has been inserted in the Bill because that is the period recommended by the Tariff Commission. It is provided that gin shall be matured in wood, which, judging by samples which have been sent to me, tends to make it brown. I understand that chemists say that to mature gin in wood is to improve it, but those in the trade complain that the drinkers of gin and schnapps are so accustomed to a clear spirit that their business will fall off if a discoloured spirit is placed on the market. Moreover, I have been told that a large quantity of gin which has not been matured in wood has been ordered, and is on its way here. In dealing with the subject, the Committee will have to determine whether gin shall be matured in wood, and, if so, for what length of time it must be kept before being used. I have received so much information lately on the subject of wines and spirits that I am almost in a position to lecture in regard to them. I have been informed that pot distilled spirit is received into iron tanks which have been bricked and cemented, and is as good on the day of distillation as it ever will be.

Mr. GLYNN.—The honorable gentleman refers, not to pot distilled spirit, but to rectified spirit. The former requires maturing, while the latter does not.

Sir WILLIAM LYNE.—The honorable and learned member was with me when Mr. Seppelt explained the matter to us, on our visit to the distillery, where we saw the whole process. If spirit is put into wood, it may be discoloured, but it improves, although there is a considerable loss through absorption and evaporation. No loss occurs when the spirit is kept in iron tanks, bricked and cemented, and my information is that such spirit can be used at once, because keeping does not improve it. I discovered, in going through three distilleries I have visited, that the patent still eliminates the ethers, while the pot still allows them to pass over, and consequently makes a better spirit. That, no doubt, is why the Tariff Commission is so strongly in favour of pot stills. In the process of distillation, four tanks are used, numbered 1, 2, 3, and 4. The best spirit is that which goes into the tanks numbered 2 and 3, and the spirit in the tanks numbered 1 and 4, being equally good, is put through the still again, to bring it up to the same standard as that in tanks 2 and 3. I agree with the Tariff Commission that, where it is possible to use the pot still, it should, in the interests of the public, be used. I should, however, like to know what is the exact meaning attached to the words "pot still or other such method."

Mr. GLYNN.—I think the words are "similar processes."

Mr. FOWLER.—They mean processes giving somewhat similar results.

Sir WILLIAM LYNE.—My desire is to ascertain how the words will be construed, and in Committee I hope to get information from the members of the Tariff Commission on the subject which will enable me to prevent the leaving of a loop-hole of which advantage may be taken. In clause 13 I propose to insert the words—

Spirits to be used for the purpose of scientific investigation in connexion with universities and public institutions.

The use of spirit under that provision will be subject to strict supervision. I shall, however, deal with the matter more fully in Committee. I refer to these proposed amendments now in order that honorable members may know the course which I intend to take.

Mr. GLYNN (Angas) [3.43].—Although the Bill has been introduced to carry into effect a resolution arrived at by the Committee of Ways and Means a week or ten days ago, I think that it affords us an opportunity to deal with the suggestion made in regard to the time allowed for the maturing of rectified spirits of wine.

Sir JOHN QUICK.—That is a new point. The Committee did not accept the honorable and learned member's view.

Mr. GLYNN.—No vote was taken on the question.

Sir JOHN QUICK.—The honorable and learned member wishes to reopen the Excise question.

Mr. GLYNN.—I see no objection to reopening it for the prevention of injustice.

Sir WILLIAM LYNE.—We cannot reopen the Excise question unless we have the Excise Tariff Bill before us again.

Mr. GLYNN.—The matter with which I wish to deal is an important one, and a way should, therefore, be found for dealing with it.

Sir JOHN QUICK.—If it is dealt with, it will break up the whole scheme.

Mr. GLYNN.—I think not. Although I recognise the splendid work done by the honorable and learned member, I do not regard the Commission as infallible.

Sir JOHN QUICK.—Our recommendations were based on the evidence laid before us, which the honorable and learned member did not hear.

Mr. GLYNN.—I have gone to some trouble with a view to understanding this subject, having visited several of the distilleries—one twice in one week—and having studied the reports of the Commission, and read some of the evidence given before it. It cannot reasonably be held that the Commission made no mistakes. The treatment which the Government have meted out to the recommendations of the Commissioners constitute a reflection upon their work. Either the Government are wantonly disregarding sound recommendations, or the reports furnished by the Commission are at fault. My point is that some of the grape spirit does not require to be kept for two years in wood in order to secure the degree of purity desired. The remarks of the Minister might apply to pot-still spirit, but not to rectified spirit produced from grape wine. When distillation takes place by means of pot stills the results arrived at are very different from those which are brought about when spirits are rectified

by means of patent stills. The process of high rectification has the effect of removing from the spirit all the impurities that can possibly be eliminated. The Bill provides that the blended brandy shall contain 25 per cent. of pot-still grape spirit and 75 per cent. of pure rectified grape spirit.

Mr. FOWLER.—That will not be brandy, but merely simulated brandy.

Mr. GLYNN.—I am speaking of pure wine spirit. Does the honorable member seriously say that a spirit which is made solely of wine spirit is not brandy?

Mr. FOWLER.—Not if the spirit is made by the rectification process.

Mr. GLYNN.—I know that the honorable member has got pot stills on the brain. He has been reading up something with regard to the use of pot stills in France, and thinks that none of the products of distillation under the improved methods adopted during the last two or three generations can compare with the brandy produced by the pot stills used in the south of France.

Mr. FOWLER.—That is the opinion of all the best experts.

Mr. GLYNN.—That has nothing whatever to do with the point with which I am dealing. What I say is that spirit made from pure grape wine is pure brandy. It is provided in the Bill that blended brandy shall consist altogether of pure wine spirit, and that 25 per cent. shall be made by the pot-still process. Now, experts tell me that pot-still brandy should be kept in the wood for a period of two years, in order to eliminate from the spirit some volatile oils which are passed over in the process of distillation. By maturing the spirit in wood for two years these oils become eliminated or of less strength. The same remarks would not apply to the 75 per cent. of rectified wine spirit which is proposed to be used in making up blended brandy. By keeping that spirit for two years you would not attain an appreciably higher degree of purity, because the process of rectification eliminates the volatile oils which are to be found in the pot-still products. I have taken the trouble to visit some distilleries and obtain accurate information on this point, and the view which I have expressed is supported, not only by distillers, but by Excise officers. Therefore, I cannot be so much mistaken as the honorable member for Perth seems to think. The Bill provides that the whole

of the blended brandy, including the rectified grape wine spirit, shall be matured in wood for two years, and I contend that, according to the information supplied, that provision is not necessary in regard to the rectified spirit, which cannot reach any higher degree of purity by the process of maturing, although it may approach a little more closely to the standard of alcoholic purity known to chemists. There is not sufficient rectified spirit in store—nor could it be obtained within six or eight months—to enable the manufacture of brandy to be carried on. Plenty of molasses spirit can be obtained, but rectified grape spirit cannot be made until the next vintage takes place. Therefore, the two-year period specified in the Bill would not commence until after the next vintage. I would suggest that in the case of rectified spirit, a period of two years should be allowed to elapse before the provision to which I have referred is brought into force. Of course, I know that, according to the views held by the Chairman of the Tariff Commission and by the honorable member for Perth, what I am now saying is all fudge, but it is the judgment of science.

Sir JOHN QUICK.—My opinion is merely based upon the evidence.

Mr. GLYNN.—But evidence is not always correct.

Sir JOHN QUICK.—The evidence is as reliable as any information that the honorable and learned member could obtain by visiting the distilleries.

Mr. GLYNN.—Some of my information has been derived from Mr. Seppelt, who has written a letter upon which the Tariff Commission—

Mr. FOWLER.—Mr. Seppelt has been priming honorable members with information in his own interest.

Mr. GLYNN.—No, he has not. I visited Mr. Seppelt, because I was on circuit within five miles of Seppeltsfield. My visit took place a week after I had been approached by a deputation of representative distillers of South Australia, and my sole desire was to obtain a little more information. Distillers and Excise officers alike state that it is not necessary to keep rectified wine spirit in the wood for two years.

Sir JOHN QUICK.—They did not say that to the Commission.

Mr. GLYNN.—I cannot help that: I am merely giving the information as it has been conveyed to me.

Sir JOHN QUICK.—The honorable and learned member is raising new points.

Mr. GLYNN.—Are we to remain silent because certain information has not been given to the Commission? Cannot we bring forward any new points that may be brought under our notice? A number of reports have been presented by Commissions since the first Commonwealth Parliament was opened, and, I think, only two have been acted upon. This tends to show that honorable members have not attached any very great importance to the evidence which has been taken at such great expense, or to the conclusions which have been based upon it. Now we are told that in the case of the Tariff Commission we must accept the evidence as incontrovertible, and their conclusions as beyond all possibility of error. I am endeavouring to supplement the evidence given before the Commission with information which may fairly be regarded as reliable, seeing that it is the testimony of expert witnesses. My contention is that we should provide that the use of rectified spirit that has not been kept for two years shall be allowed until after the next two vintages have taken place. Until March next there will not be sufficient wine spirit available to permit of the manufacture of what is described in the Bill as blended brandy. Molasses spirit can, however, be procured at once, because the raw material is available. I hope that when we reach the Committee stage an amendment will be carried in the direction I have indicated.

Sir JOHN QUICK (Bendigo) [3.55].—The Bill is intended to give effect to the general recommendations of the Commission, which could not have been included in the Excise Tariff Bill. I am glad to see that Ministers have seen their way clear to accept the recommendations of the Commission with regard to the spirit and wine industry generally. I hope that this Bill, in conjunction with the new Excise duties, will have the effect of placing the distillation industry of Australia upon a sure, satisfactory, and scientific basis, and that the industry will receive a great impetus. I trust that the manufacturers will welcome the opportunity to carry on their industry upon proper lines, and that the consumers will be able to feel assured that they are obtaining a good article. I should like to draw attention to some of the features of the Bill with which I think the general public are not fully acquainted.

I refer more particularly to the provisions relating to what may be described as the standardization of spirits. Distillers will no longer be granted a concession by way of Excise duty without having to give something in return. As a compensation for the Excise advantages that are conferred upon distillers, they will be required to produce a good article, whether it be brandy, or whisky, or rum. Upon complying with the statutory requirements, they will be entitled to affix to their goods a Commonwealth certificate and trade name. Therefore, it seems to me that they will have every inducement to comply with the law in order that they may enjoy the advantage of the standardized name whether it be "Australian standard brandy," "Australian blended wine brandy," "Australian standard malt whisky," "Australian blended whisky," or "Australian standard rum." I think that these provisions will give rise to a spirit of emulation as between distillers, and that they will take a pride in turning out a good article. In the course of the evidence given before the Commission, very great stress was laid by a number of witnesses, comprising manufacturers, Excise officers, and wholesale merchants, upon the absolute necessity of strong spirits being preserved in wood for a certain length of time before they were permitted to pass into consumption. There was a general consensus of opinion that spirits matured by being kept in wood—I believe that only one witness was doubtful upon this point—were much improved in character. It was pointed out that, owing to the process of oxidation of the secondary products, or, in other words, the evaporation of the strong volatile elements, the spirit became very much purified. It was stated that one of the causes of the failure of Australian, and particularly of Victorian, spirits, was that they were placed upon the market when they were immature. Mr. Joshua admitted that age matured spirits, and agreed that, perhaps, there should be a limit placed upon the introduction of immature spirits to the market. It was also urged that that time limit should apply not only to imported, but also to locally-produced spirits—in other words, that it should operate all round. To that proposition there was a general chorus of approval. The point upon which I have brought into conflict with the honorable and learned member for Angas—for whose opinion I entertain the very greatest respect—is that whilst throughout the whole of

the evidence tendered to the Tariff Commission it was laid down as a general proposition that young and immature spirits should not be allowed to pass into general consumption, not a single word was uttered in reference to differentiating between spirits which are distilled at a low strength and spirits which are distilled at a high strength. The general opinion was that the advantage to be derived from oxidation applied not only to spirits produced at a low strength by means of the pot still, but also to highly rectified spirits. There was no suggestion that highly rectified spirits did not require time for maturing. It was distinctly laid down that all spirits should be kept in bond or "quarantine," as I might term it, for a certain term before they were allowed to pass into general consumption. What I complain of is that the point which has been raised by the honorable and learned member for Angas is a new one, which was never suggested by the wine-growers, by the distillers themselves, or by the departmental experts who were called upon to advise the Commission. There may be something in the point, but I am guided only by the evidence. I know nothing whatever about what has transpired in private conversation. The recommendations of the Commission are based upon the sworn evidence of witnesses, and if certain gentlemen desired us to differentiate between spirits distilled at a low strength by means of a pot still and highly rectified spirits produced by the patent still, they ought to have brought that fact under our notice. I submit that the information presented by the honorable and learned member for Angas should not carry the same weight as should attach to the general views which are embodied in the recommendations of the Tariff Commission. As a member of that body, I am guided only by the evidence and not by the *ex post facto* statements which have been communicated to the honorable member and to others who have had no opportunity of cross examining their informants. Probably had the point been brought under the attention of the Commission, that body would have investigated it. I repeat that no distinction was drawn between spirits produced at a low strength and spirits distilled at a high strength, and, consequently, our recommendation is that no spirits intended for general consumption—irrespective of whether they are produced by means of the pot still or by any other method—should be

Sir John Quick.

allowed to be taken out of bond, unless they have undergone a certain period of probation.

Mr. GLYNN.—But time ought to be afforded those who are directly interested to get their spirits matured.

Sir JOHN QUICK.—I quite agree with the honorable and learned member. I rose for the purpose of making a similar suggestion. What I complain of is that the honorable and learned member attacked the Commission for failing to discriminate—

Mr. GLYNN.—The honorable and learned member jumped to that conclusion before I had spoken. I merely asked what he himself apparently regards as a right thing.

Sir JOHN QUICK.—I have the greatest pleasure in supporting the proposal that this limitation should not be brought into force suddenly, but that a certain breathing time should be granted to importers as well as to local distillers. But I object to the honorable and learned member attacking the Tariff Commission merely because they acted in accordance with the weight of evidence.

Mr. GLYNN.—I did not do anything of the sort.

Sir JOHN QUICK.—If the honorable and learned member and myself have arrived at an agreement upon the proposed suspension of the limitation, we need not continue the controversy. I believe that the remaining clauses of the Bill relating to methylated spirits will, upon investigation, be found to be highly beneficial to Australian industries. In the spirits which are derived from molasses there will be found an almost inexhaustible reservoir of power which can be utilized for industrial purposes, and the Commission have suggested a scheme under which those spirits may be made available for such purposes, whilst, at the same time, providing every safeguard for the protection of the revenue. I think that the House will have accomplished good work when it passes the Bill, coupled with the Excise resolutions, and that the work of the Commission will not have been altogether fruitless.

Mr. HUTCHISON (Hindmarsh) [4-7].—I do not wish for a moment to discount the work performed by the Tariff Commission. But I have been at considerable trouble to investigate this question of spirits, and I wish to point out to the Chairman of the Commission that the only

spirits which require to be kept in wood for two years are whisky, rum, and brandy. According to the testimony, not only of expert distillers, but of expert officers of the Customs Department, a highly rectified spirit is no better after it has been stored in wood for two years than it would be after it had been stored there for only two weeks.

Sir WILLIAM LYNE.—That is what I said.

Mr. HUTCHISON.—I cannot understand why the members of the Commission overlooked that point.

Mr. FOWLER.—What does the honorable member mean by a "highly rectified spirit?"

Mr. HUTCHISON.—I mean a spirit from which all the injurious ethers have been expelled, and one which, consequently, cannot possibly improve with age. This highly rectified spirit is used for the purpose of blending with pot still spirits which contain these ethers. Take the case of gin as an illustration. If we insisted that gin should be stored in wood for two years, it would become exactly the same colour as whisky.

Sir JOHN QUICK.—If it were kept in a whisky barrel it might.

Mr. HUTCHISON.—Gin is always kept in iron vessels. It is not necessary to harass the trade at all, unless the Commission can bring indisputable evidence that a highly rectified spirit will improve with age or that its consumption, when newly distilled, is injurious. The honorable and learned member for Angus was perfectly right in his contention, and I am aware that he has taken a good deal more trouble to investigate this matter than I have. The Minister, however, can soon settle the point. He has experts in his Department, whose opinions could be easily obtained.

Mr. JOHNSON.—They would report against the honorable member's suggestion.

Mr. HUTCHISON.—Undoubtedly they would not. I am sure that they would say that all spirits distilled by the pot still should be matured in wood for two years, because that process would undoubtedly improve them.

Mr. JOHNSON.—I am speaking of rectified spirits, which are produced at a high degree of distillation. Experts say that all the deleterious elements of those spirits are eliminated.

Mr. HUTCHISON.—Undoubtedly they are, and that is why they are used as a

blend. Their presence assists to reduce the injurious ethers which are contained in spirits distilled by means of the pot still.

Sir WILLIAM LYNE.—But they must be kept in wood.

Mr. HUTCHISON.—With the exception of gin. I thoroughly agree with the honorable and learned member for Bendigo that there is an unlimited opening for the use of methylated spirits. But the Minister must see that those spirits are not demethylated.

Sir WILLIAM LYNE.—That is provided for in the Bill.

Mr. HUTCHISON.—But the Minister will require to see that much more effective supervision is exercised than has been exercised hitherto. Although it has been against the law to denature spirits, we know that they have been denatured. Whilst we are affording a fair measure of protection to the distillers, we ought to see that the revenue is thoroughly protected. In this connexion I would call the attention of the Minister to the fact that a large amount of revenue is being lost to the Department through what is known as the "grogging" of casks. In dealing with this matter, I find that the Imperial Parliament has provided an elaborate set of regulations which prevent distillers, when they are refilling their casks, from extracting spirits from the wood and from selling them, thus evading the payment of duty. A very large amount of spirit can be extracted in that way, and the Minister should see that something is done to prevent it. I should like to quote some regulations upon this subject which are in force in Great Britain. Regulation 289 reads—

Empty casks to be refilled or removed to a distillery.—Spirit casks left empty after any operation, whether they have contained British spirits or foreign spirits, are, as a rule, to be refilled. When this is not desirable or convenient, as far as the proprietor is concerned, they may, at his option, be removed to a distillery or bonded warehouse, or they may be exported; the casks in either case being first properly drained, and bungs, which should be of hard wood, firmly driven in.

Regulation 290 relates to the removal of empty casks to a distillery, and provides that—

When casks are so removed a dispatch showing the "number" and the "content" of each cask, the denomination and the strength of the spirit which it last contained, and the date of removal, is to be sent to the officer at the distillery or warehouse to which the casks shall be consigned. The officer at the distillery or

warehouse is to send a receipt on the same document showing the date of arrival of such casks, and report whether there be any indication of the extraction of spirit from the wood of the casks during transit. The officers at any distillery or warehouse to which the empty casks are sent are to exercise a general supervision over such casks, and to see that they are not again removed from the distillery premises or warehouse for the purpose of having the spirits extracted from the wood prior to being refilled.

Regulation 291 has reference to the exportation of casks, and provides that—

When casks are exported, a dispatch showing the spirits stated in the preceding paragraph is to be sent to the export officer at the station where the ship is lying, who will state thereon whether there be any indication of the extraction of spirit from the wood during transit, and if satisfied of the contrary, certify to the actual shipment of the casks. The document thus attested should then be returned to the officer at the warehouse from which the casks were removed. In cases where the officers are not satisfied, as specified above, the casks must be detained for the decision of the Board as to whether the bond should be put in force.

They have to enter into a bond with regard to these casks—

292. Bond for removal to be given.—General bond may be entered into.—Bond should be given for the security of the revenue in respect to the spirit contained in the wood of such casks during their removal. If the ordinary bond be given the amount of the penalty should not be less than £3 for each puncheon, £2 for each hogshead, and £1 for each quarter-cask, with proportionate amounts in even pounds for casks of other kinds; but, if desired, a general bond may be given, the liability of the remover being calculated on the above relative bases. In cases of exportation the penalty will be double the above rates.

Apart from any penalty to which the remover may be liable, it must be understood that any misuse of the option of sending casks to a distillery or warehouse may result in the withdrawal of such option.

293. Casks may be washed out instead.—Spirit casks, not belonging to a distiller, or which it may be inconvenient to send to a distillery or warehouse for refilling, or which, from unsoundness or unsuitableness the proprietor may not wish to refill at the warehouse, may be delivered therefrom, provided that at the expense of such proprietor they be effectually washed out with water, so as to remove the spirit from the wood prior to delivery. For this purpose each cask should be partially filled with water to the extent of a sixth part of its "content," be retained in warehouse at least six days, be rolled round at least once daily, and be left at rest after being rolled with a fresh surface in contact with water each day. The rinsings from the casks thus treated are to be destroyed in the presence of the officers, unless, at the option of the proprietor, duty be paid on the quantity of spirit at proof which they contain.

The fact that it is deemed necessary to frame regulations of this kind should be sufficient to show honorable members the

Mr. Hutchison.

importance of the question with which we are dealing. I know of no provision made by the Excise Department to deal with the large quantity of spirit that can be extracted in this way—

In the latter case, an account is to be taken of the quantity and strength, and the particulars are to be entered at the foot of the operation account to which the casks belong after the rinsings have been collected in suitable sized casks; and such rinsings may then be delivered on the passing of a warrant in the usual way; or they may be added to a subsequent operation, subject to the regulations with regard to spirits reduced with water, or they may be exported either in original casks or in others of legal size.

294. On certain conditions a similar quantity may be used.—Should the proprietor give notice of his wish to pay duty on the rinsings of casks, and express a desire to obtain the spirit in a more concentrated form, a similar quantity of water, not less than 10 per cent. of the "content," may be used, the cask being retained a longer time in warehouse, the essential principle being that each part of the internal surface of the cask shall remain in contact with water for about forty-eight hours before the cask is removed from the warehouse.

On certain conditions casks may be cleared after twenty-four hours.—If, however, the proprietor should so request, the casks may be completely filled with water and the contents destroyed after remaining in the casks not less than twenty-four hours, an undertaking being given on the request that the casks shall not be subsequently "grogged." Water may be added in the warehouse or immediately on removal therefrom in the yard or other suitable premises adjacent thereto, and the casks when filled may be left in any convenient place within the walls of a dock or under Crown lock or other place of reasonable security elsewhere. The officer must examine the casks when filled, and see the contents destroyed at any time after twenty-four hours from his examination, certifying to this effect in the register.

295. Examination and destruction of contents.—The officer must examine the casks when filled and see the contents destroyed at any time after twenty-four hours from his examination, certifying to this effect in the register.

296. Casks emptied for methylating spirits.—When spirits are removed from the distillery or from the warehouse after methylation the empty casks are to be removed to a distillery or warehouse, subject to the foregoing regulations, or at the option of the methylator they may be washed in a locked compartment at the place of methylation in the same manner as casks washed in warehouse, the rinsings being, at the option of the methylator, destroyed or added to the spirits in the next methylation, on condition that the spirits to which the rinsings are added be not thereby reduced below the legal strength at which methylated spirit may be sent out. In case the washings are added to the methylated spirit the stock should be adjusted accordingly.

Casks of British liqueurs, such as orange bitters, of which the strength is under 42 per cent., may be delivered when emptied without the grogging regulations being applied to them.

297. Empty casks delivered.—All empty casks before being delivered from warehouse must be properly drained, and, as far as possible, subjected to examination at the time of passing the outer door, when they must be rolled over with their bungs out.

I discovered these regulations quite casually whilst glancing over Ham's *Inland Revenue Year-Book* for 1896, and I was struck by the fact that they had not been mentioned by any Minister of Trade and Customs in this House. Whilst we are effectively protecting the manufacturer, we should take steps to effectively protect the revenue. I am glad that the members of the Tariff Commission are prepared to consider the amendment of clauses 10 and 11, and I think that after giving the matter further attention they will come to the conclusion that those clauses are unnecessary, except in so far as they deal with purely pot-still spirit. Whilst I am pleased that no delay has occurred in taking steps to protect a trade which was all too rapidly falling into the hands of foreign manufacturers who have been introducing into the Commonwealth the worst kind of spirits—

Mr. JOHNSON.—They could not be worse than Joshua's "Boomerang" Brandy.

Mr. HUTCHISON.—I do not know why the honorable member invariably singles out Joshua Brothers for special attention.

Mr. JOHNSON.—Because their brandy is only white spirit coloured.

Mr. FOWLER.—More white spirit than is made by Joshua Brothers goes into circulation in Australia.

Mr. HUTCHISON.—Exactly. The quantity of white spirit, coloured and flavoured with essences, which goes into consumption in Australia is much larger than could possibly be issued by Joshua Brothers. I have no brief for that firm, or for those who are guilty of the practices to which I have just referred.

Mr. JOHNSON.—I merely say that the importers are no worse than Joshua Brothers.

Mr. HUTCHISON.—I hope that the supervision henceforth will be more effective than it has been, and I shall be pleased if, when the Bill is under consideration in Committee, honorable members will see that complete justice is done to the manufacturers.

Mr. FOWLER (Perth) [4.23].—I wish to congratulate the honorable and learned

member for Angas and the honorable member for Hindmarsh upon the way in which they have blossomed forth as experts in the spirit trade. I heartily admit that the House may learn much on this question from those who are not members of the Tariff Commission. At the same time I would respectfully urge that the recommendations of the Commission have been based on very careful and painstaking research, and that, while in some respects the evidence submitted to it has not been of that all-embracing character that we could have desired, the Commission has endeavoured to supplement any shortcomings in that direction by official information available from other sources.

Sir JOHN QUICK.—Hear, hear.

Mr. FOWLER.—I regret that, although I have listened very carefully to the remarks of the honorable and learned member for Angas and the honorable member for Hindmarsh, I am still unable to adopt their view with regard to the non-necessity for ageing rectified spirit. So far as I can remember, they have not adduced any particularly expert evidence to support their contention. The honorable and learned member for Angas has spoken of the knowledge of the experts of the Department. I admit that they are, as a rule, highly capable and efficient, so far as the particular work with which they have to do is concerned; but I do not admit that they have that special knowledge which would enable them to decide what are the true classes of spirit, the higher classes of spirit, and what constitute the essential elements of good and bad spirit. Those matters are wholly beyond their province. Whilst they have given the Commission much useful information, they have been careful, as a rule, to deal only with those details upon which their experience enables them to give information of value. In most cases they have frankly indicated their limitations in this respect. I have been at considerable pains to read up, not one, but several authorities on rectified spirits, and, in addition to what is the universal experience, I find an overwhelming mass of evidence to support the contention of the Commission that even highly rectified spirit, if new, is not nearly so wholesome as that which has been matured for a number of years.

Mr. HUTCHISON.—In what respect is it bad?

MR FOWLER.—I have already said, but for the benefit of the honorable member I shall repeat the statement, that chemistry is very much at a loss to explain the particular constituents of alcohols—their qualities and the operations that take place in the changing of the various constituents from one chemical form to another. That has been admitted by the ablest chemists who have come before the Commission. In dealing with questions about which the ablest men know the least, witnesses, as a rule, have been most dogmatic in proportion to their lack of knowledge. We have overwhelming evidence to the effect that raw rectified spirit is highly injurious when taken into the human system. That is undoubtedly the experience of those countries in which alcohol is used as a common beverage by the mass of the people. In Scotland, Ireland, and of late years, on the Continent of Europe—in Germany and France, where highly rectified spirits have, unfortunately, largely been coming into consumption—the testimony is almost unanimous that a process of deterioration physical, mental, and moral takes place in those who swallow raw, and highly rectified spirit.

MR. HUTCHISON.—That is so, but we are dealing with rectified spirit to be used for blending purposes.

MR. FOWLER.—The evidence goes to show the necessity for keeping highly rectified spirit under lock and key for two years after it has been manufactured.

MR. JOHNSON.—What effect would that have on the spirit?

MR FOWLER.—It would make it less injurious. Common experience points to the advantage of keeping such spirit in bond for two years. It is found that, as the result of ageing, it mellows and becomes less injurious in human consumption.

MR. JOHNSON.—That is contradicted by many experts.

MR. FOWLER.—I should be glad if honorable members would quote those experts. I have been at great pains to discover the opinions of experts on this subject, and am indicating that, whilst they think—

MR. HUTCHISON.—Is not the honorable member dealing more particularly with highly rectified spirit, which is sold for use without being blended with other spirit.

MR. FOWLER.—I say that highly rectified spirit, if new, even when taken in con-

junction with any other spirit, is injurious in proportion to its newness.

MR. JOHNSON.—All spirit, whether rectified or otherwise, is injurious.

MR. HUTCHISON.—But the pot distilled spirit must be kept.

MR. FOWLER.—The honorable member admits that, but he will not admit that highly rectified spirit should be kept. In my opinion it should be kept, and the experience of experts shows that it is more necessary to mature highly rectified spirit than to mature pot distilled spirit.

MR. JOHNSON.—Why?

MR. FOWLER.—That is not easy to explain. The chemical constituents of spirit, and the changes which take place in it, are not very well known, even by the best chemists. They admit that they have to act largely on the result of practical experience, which is almost universally to the effect that crude spirit, even though highly rectified, is injurious to the human constitution, and becomes less injurious after it has been kept for a period of years.

MR. JOHNSON.—That is very questionable.

MR. FOWLER.—The honorable member may question the statement, but it sets forth what I believe to be the attitude of science and of experience in regard to the subject.

MR. JOHNSON.—Does not the honorable member think that all spirits are injurious if used as beverages?

MR. FOWLER.—I do not wish to discuss that point at the present time. If spirits are poisons, they must be regarded as remarkably slow in their action.

MR. JOHNSON.—They sometimes produce insanity very quickly.

MR. FOWLER.—I do not believe in the use of alcoholic beverages; but I ask why it is, if spirits are so injurious as some persons would make out, that nations which have been soaking in alcohol for centuries are still, physically, mentally, and morally, amongst the highest races on the earth?

MR. JOHNSON.—I dispute the soundness of the contention.

MR. FOWLER.—The subject is a big one, but I do not wish to discuss it now, as I must keep to my text. If rectified spirit is used in Australia, in the manufacture of brandy, I regret it, and hope that the practice will be discouraged by this Legislature. A great deal of the evidence put before us shows that the best brandy is produced by means of the pot still, and

pot stills only are used in those countries which manufacture the brandy bearing the best reputation. Rectified spirit may be used in compounding a so-called brandy, but the concoction is not a true brandy.

Mr. HUTCHISON.—It should not be called brandy.

Mr. FOWLER.—With regard to the maturing of gin in wood, it is objected that the colour thereby imparted to the spirit would retard its sale.

Mr. HUTCHISON.—It would give it the colour that whisky possesses.

Mr. FOWLER.—Although of recent years the whisky sold has possessed an amber tint, I remember when in Scotland all the whisky was as colourless as the gin now on the market, notwithstanding that it had been matured in wood. The colouring to which the honorable member for Hindmarsh refers is due, not to maturing in wood, but to maturing in sherry casks, and it has not been proved that casks or other wooden vessels could not be made in which gin could be stored for a number of years without being coloured. A great deal of the whisky sold nowadays is almost identical in its component parts with gin, though flavoured differently.

Mr. HUTCHISON.—Does the honorable member know of any merchant who keeps his gin in wood?

Mr. FOWLER.—No; but I think it likely that gin can be stored in wood without being discoloured thereby. If, however, it could be shown that it would be of advantage to mature gin in vessels other than wood, I would not object to that being done.

Mr. HUTCHISON.—It is best to sell gin soon after it has been made.

Mr. FOWLER.—If the honorable member inquires the prices of different brands of gin, he will find that he must pay more for gin which has been matured than for gin which is new, and will be told that matured gin is superior in quality to new gin. What weighed with the Commission, in recommending the storage of spirit in wood, was that it is necessary to prevent storage in bottles being allowed to count, it being the general opinion of experts that spirit does not appreciably mature after bottling.

Mr. MALONEY (Melbourne) [4.40].—I understand that the Minister has accepted the suggestion of the Pharmaceutical Board to amend clause 3 so that the interpretation of medicines shall include

medicines "other than liniments and veterinary medicines." Medical men will agree with me that, for external application, methylated spirit can be used to advantage, and that it would be very expensive if other spirit had to be used in our hospitals and asylums. I am informed by the Minister's colleagues, and by the official who is watching the Bill, that it will not be necessary to reinsert these words in clause 15; but I ask the honorable gentleman to see that they are inserted, if it is at all doubtful that they are not covered by the amended interpretation of the word "medicine."

Mr. JOHNSON (Lang) [4.42].—I believe that if the community would forego the use of alcoholic beverages it would be all the better for doing so. Indeed, if people generally were persuaded that spirits are injurious, instead of beneficial, when used as a beverage, there would be no need for legislation of this character; but until the happy time comes when that truth is recognised we should do our best to secure that only spirits of the highest purity get into consumption. This measure however, pays special consideration to the interests of the Victorian distillers, at the expense of the industries of the other States. It is well known, so I am credibly informed by persons whose opinion is entitled to respect, that Victorian distilleries do not possess up-to-date appliances, being fitted up with the old-fashioned pot stills, which have long since gone out of date. However much it may be desirable to provide for the maturing of spirit distilled by pot stills, because of the large quantity of impurities contained in it, it is not so necessary in the case of the highly rectified spirit distilled by the patent stills. In any case, I understand that the effect of keeping spirits in wood for a long period is not to get rid of the impurities, but to disguise their presence. As a matter of fact, these impurities still exist, although the spirit becomes so mellowed that the impurities are less noticeable. This applies to spirits distilled in pot stills, but not to spirits produced in patent stills, such as are used by the Colonial Sugar Refining Company. The spirits produced in pot stills contain a very large proportion of impurities, whereas the product of the patent stills is much purer, because in the process of rectification all deleterious substances are eliminated, and the spirit is as pure as it is possible to make it.

Mr. FOWLER.—It is pure in the same sense that distilled water is pure; but we know that it is unwholesome.

Mr. JOHNSON. — If the honorable member drank distilled water mixed with a very little phosphoric acid he would very much prolong his life, because I understand that that mixture will prevent the ossification which leads to senile decay.

Mr. FOWLER. — The honorable member may obtain some very pronounced opinions with regard to distilled water from old prospectors in Western Australia, who have been drinking it for years, and who are fully aware of the disadvantages attached to its use.

Mr. MALONEY.—It was not the distilled water, but the tinned dog, that killed off the diggers on the Western Australian gold-fields.

Mr. JOHNSON.—I am informed that, by the process of high rectification, all the most poisonous elements in the spirit are eliminated, and that it is not necessary to mature the spirit by keeping it in wood. If it were to be kept in the wood for twenty years, it would not be any better than if it were matured for five years. This information is given to me by men who have had many years of experience in distillation, and who are practical men.

Mr. FOWLER.—Are they men who distilled by the patent still process?

Mr. JOHNSON. — One man has been engaged in distillation for over forty years, and has used every conceivable kind of still. On reference to the report of the Tariff Commission, honorable members will notice that it is stated by witnesses that a pure spirit cannot be turned out by means of a pot still, whereas spirit upwards of 60 degrees overproof can be manufactured by means of patent stills. According to the evidence of Mr. Wilkinson, the Government Analyst of Victoria, the purer spirit produced by the patent still is the least poisonous. Mr. Wilkinson, speaking of the secondary products, says—

In the higher boiling portions, there was what was called "fusel oil." This consisted of alcohols higher in the series, for instance, propyl, butyl, and amyl alcohols. In distillation, the impurities were in part eliminated, but they were necessary for flavour. A spirit containing none of them was practically featureless. It had no character, and was neutral in taste.

Referring to Mr. Wilkinson's evidence, it is further stated—

He summarized these articles by stating that the so-called impurities of any spirit, upon which

for commercial value the flavour was largely dependent, possessed toxic properties greater than those of ethyl alcohol, the main constituent of all spirit and the least toxic. If alcohol were pure, it would have no injurious effect other than that due to alcohol, no matter its origin. So far as scientific knowledge goes, the substances removed in the rectification of spirit were more injurious than alcohol itself.

With regard to inferior spirits and adulteration, it is stated in the report—

Mr. Wilkinson had examined some of the cheap spirits imported, and had found that they were highly rectified, and contained very few impurities indeed. They might have been of any origin. Physiologically, they could not be considered injurious. So far as scientific knowledge went, the substances removed by the rectification of spirits were more injurious than alcohol itself.

This statement is in direct contradiction to that of the honorable member for Hindmarsh, who said that the imported spirits were of the most injurious character, and were poisonous in a marked degree. I do not recollect the exact remarks of the honorable member, but he represented that closer supervision would have to be exercised in regard to imported than in regard to locally manufactured spirits. A little later on Mr. Wilkinson said—

There was no proof that the keeping of spirit for a time would eliminate certain poisonous elements. Medical men were very much divided in opinion upon this subject. Only an improvement in flavour would be gained.

He stated, further—

It was a scientific fact that, no matter how long spirits were kept, the poison in them remained.

I do not pretend to be an expert in these matters, but I think that we should pay some regard to the opinions of men of experience which are backed up by the independent testimony of men like Mr. Wilkinson.

Sir JOHN QUICK.—Mr. Wilkinson says that if spirit were kept in wood for two years or more it would be of advantage to the consumer.

Mr. JOHNSON.—Yes; but he qualifies that statement by indicating that the advantage to the consumer would take the form of improved flavour. He points out that the effect of keeping spirit in wood is not to eliminate the poisonous elements, but to disguise their presence. He says that the poisonous element still remains, but that the flavour is improved.

Sir JOHN QUICK.—That is because of the gradual process of oxidation to which the secondary products are subjected.

Mr. JOHNSON.—Just so. But the poisonous elements still remain.

Sir JOHN QUICK.—No; they are converted.

Mr. JOHNSON.—Mr. Wilkinson says that it is a scientific fact that, no matter how long spirits are kept, the poison in them remains, and, therefore, the advantage to the consumer to which he refers must be merely a matter of palatability. In other words the spirit, by being kept in wood, will become more palatable. His testimony in that respect is supported by men who are entitled to be regarded as experts. It seems to me that if any reason can be advanced in favour of maturing in wood for a period of two years spirits which are produced by means of the pot-still, it does not apply to spirits which are produced by means of the patent still. I understand that if the proposal of the Government be enforced, some distillers will be required to expend a vast sum in acquiring land, and in providing immense storage accommodation for their spirits. Whilst I do not appear as a special pleader for any distiller, I do say that, if the Minister desires to place the manufacturers of all the States upon an equality, due regard should be given to these considerations. Unless it is absolutely necessary—upon the ground of health—to compel the distillers to incur an immense outlay to provide storage accommodation for their spirits, the Minister ought to consider whether it is desirable to enforce a provision of this kind. Personally I should be very glad to see an end put to the distillation of spirits, so far as they are intended for consumption as a beverage. If it is necessary—as I suppose it is—to distil spirits for medical purposes, I have no objection to urge. But if we could only persuade the community that the less they indulged in spirits the better it would be for them, we should soon arrive at that period when it would be no longer necessary to enact special legislation for the preservation of the public health.

Mr. JOSEPH COOK (Farramatta) [5.3].—As the Minister has paid some attention to one or two points upon which I intended to offer some criticism, and on account of other personal reasons, I do not intend to occupy the time of the House at any length. There is still another reason which deters me from speaking in any but the most deferential way upon this question, and that is the presence in the House

of members of the Commission. They have paid more months of attention to this matter than ordinary members have been able to devote hours to it, and they must be presumed to have discussed its *pros* and *cons* very fully and deliberately. But, notwithstanding that they have given all this attention to the subject, there may be points which have been left unconsidered—points as to which the evidence has not been so full and complete as to enable them to arrive at the real facts of the situation. Of course, it is very easy for honorable members who have not been through the process of sifting and inquiry to know all about the subject. I confess that I have not read the evidence taken by the Commission as carefully as the honorable member for Lang appears to have done. Not having read that evidence, I suppose that I am in a much better position to record an intelligent vote upon this proposal. I speak, therefore, only of information which has been conveyed to me by persons who know all about the subject, and who are interested in it from a commercial standpoint. All that information is in agreement upon the point of the standard which should be set up in connexion with the distillation of, say, rum, which is made from molasses. All the evidence which I have gathered goes to show that that rum cannot be cleared of its impurities at so low a degree as 35. In fact—to use the expression employed by the persons who spoke to me upon the subject—rum so distilled simply “stinks,” and the stink cannot be overcome.

Mr. FOWLER.—The spirit has to be distilled twice, and it is the central portion of the distillate which has a commercial value.

Mr. JOSEPH COOK.—I was not aware of that. I am speaking of the molasses spirit which is distilled in New South Wales. The trade describes it as being in a stinking condition when it is so distilled, and they urge that nothing less than 60 degrees would eliminate its objectionable odour.

Sir JOHN QUICK.—It would be too highly rectified then. Experts say that if it were distilled at 60 degrees of strength it would not be rum.

Mr. JOSEPH COOK.—I am informed that nearly all the rum which comes from the West Indies—and a large quantity of the rum used in Australia comes from there—is distilled at from 65 to 70 degrees of strength.

"doctored" or simulated rum.

Mr. JOSEPH COOK.—That is what my informants tell me. They say that in any case to distil rum at so low a strength as 35 degrees would mean that they would never be able to get the stink out of it.

Sir JOHN QUICK.—The standard has been increased by general consent to 45 degrees.

Mr. JOSEPH COOK.—That is a very considerable difference, I admit, and to some extent it meets the objection which I have been urging. The fact that a higher degree eliminates impurities from the spirit is not questioned, and it is only the degree of rectification which is concerned in the argument. If we can eliminate these impurities by rectifying the spirits at a higher degree, it seems to me that we should do so. Then I am informed that rum is rarely more than six months old when it is sold in the markets of London. It is never kept longer than that period, and rarely so long. The argument is advanced that if in one of the great markets of the world a standard of six months or under is observed in the sale and consumption of these liquors, it should afford some guide to us in prescribing the period during which they should be bonded here. Concerning the importation of this stuff, I am told that it would be almost impossible to ascertain the duration of the storage of rum. For instance, I am assured that no certificates are issued by the Excise Department in London, or at any of the other places oversea.

Sir WILLIAM LYNE.—We are considering that question now, and I have communicated with the Imperial authorities in reference to it.

Mr. JOSEPH COOK.—I am glad to hear that. There seems to be something lacking which would permit of an easy identification of the age of spirit. I take it that the Minister only requires to be assured that spirit has been stored for the prescribed term. If he can be made aware of that fact in a way which will not unduly interfere with business, so much the better. At present there does not seem to be any facile means of ascertaining how long spirit has been actually stored. In the absence of any certificate from the Excise Department at Home the only other course for the Minister to adopt would be to accept a certificate from the distillers. Whether that could be done under a system of proper supervision, I do not know. I do not know how supervision can be applied to spirit which is produced in another part

of the colony. The importation of these spirits under any circumstances, and under any system of classification. We want to be able to check the certificates which accompany them, and how that is to be done, seeing that there are no checks kept by the Excise Department at Home, is a problem which requires to be solved before we can determine the facts of the case as they apply to the period during which rum should be stored. However, these are matters of administration, and no doubt the Minister will look into them. I am glad to hear that he is in communication with the authorities at Home, with a view to ascertaining whether they have any better means for determining the age of spirits than we have. No doubt he will avail himself of the experience of the world if any such experience be available in the official quarters in which he is apparently seeking it.

Question resolved in the affirmative.

Bill read a second time.

In Committee.

Clauses 1 and 2 agreed to.

Clause 3—

In this Act, unless the contrary intention appears—

"Medicines" includes medicines for internal or external application;

"Australian Standard Brandy" means brandy which complies with the following requisites:—

(b) It must have been matured, while subject to the control of the Customs, by storage in wood for a period of not less than two years; and

"Australian Blended Wine Brandy" means brandy which complies with the following requisites:—

(b) It must have been matured, while subject to the control of the Customs, by storage in wood for a period of not less than two years; and

"Australian Blended Whisky" means whisky which complies with the following requisites:—

(b) It must have been matured, while subject to the control of the Customs, by storage in wood for at least two years.

Amendment (by Sir WILLIAM LYNE) agreed to—

That after the word "application," line 2. the following words be inserted:—"other than liniments and veterinary medicines."

Mr. GLYNN (Angas) [5.15].—The honorable and learned member for Bendigo and the honorable member for Perth

were of opinion, when I was speaking a few minutes ago, that I intended to propose an amendment to exclude rectified spirits from the provisions regarding maturity. The honorable member for Hindmarsh and I endeavoured to point out that those provisions were not required, but, at the same time, we do not object to their application. What we do wish is that their operation may be postponed for, say, two vintages. At present, there is not sufficient rectified spirit in stock to enable the law to be complied with, and the result would be that the making of blended brandy, composed partly of pure grape spirit, would cease. We desire a period of grace to enable manufacturers to comply with the Act. The vignerons have first to obtain a vintage, and then to keep the wine in stock for two years, so that the immediate application of the maturity conditions would be harsh in view of the fact that, as I have said, there is not sufficient wine in stock to enable blending to be carried on. The definition clause ought to be amended. We ought to exempt from the operation of the second paragraph *b* of clause 3 Australian wine brandy which, before some date to be prescribed, is cleared from the Customs or entered for home consumption as provided in clause 11. Clause 11 prescribes the 1st March, 1907, as the date from which the maturity condition shall apply. I should like the date in the case of Australian blended wine brandy to be extended for two years after March, 1907; but as there might be some objection to such a long postponement, I suggest that we should fix upon 1st March, 1908, as the date from which this provision shall apply. I am in doubt as to whether we should also amend the definition of "Australian standard brandy." I believe that in South Australia, at all events, the pot-still brandy is kept until it has matured for two years and upwards, and that there may be in stock sufficient of that spirit to enable this provision to at once come into operation, so far as Australian standard brandy is concerned. We ought to amend the provision in regard to Australian blended wine brandy, and if it be found that a mistake has been made in not amending the definition clause in regard to Australian standard brandy, we may later on amend it in a similar way. It has not been clearly stated, but I believe that there is no objection to the provision as to maturity applying at once to the Australian standard

brandy. All the distillers, whom I have met, desire that every condition considered necessary by the Government to insure the proper maturing of brandy shall be applied, but that a reasonable date on which the maturity conditions shall come into force should be fixed.

Mr. WILSON.—I have a prior amendment to propose.

Mr. GLYNN.—Then I shall refrain from moving at this stage the amendment I have indicated.

Mr. WILSON (Corangamite) [5.22].—On behalf of the honorable member for Grampians, I move—

That the words "Australian standard brandy" be left out, with a view to insert in lieu thereof words "Pure Australian grape brandy."

Sir JOHN QUICK.—That is a new name.

Mr. WILSON.—The honorable member for Grampians considers that it would be a better name to apply since it would convey to the minds of the consumers the fact that the brandy in question was essentially a grape brandy.

Sir JOHN QUICK.—It would lead to the opinion that there was brandy other than that made from the grape.

Mr. WILSON. — Perhaps so; but the honorable member for Grampians represents a wine-growing district, and I presume that the amendment was suggested by vignerons in his electorate.

Sir JOHN QUICK (Bendigo) [5.24].—I hope that the amendment will be rejected. The name embodied in the Bill is a typically suggestive and comprehensive one. It was well considered, and conveys an idea as to what a true brandy is. On the other hand, the words proposed to be substituted would suggest that there might be a brandy other than grape wine brandy.

Mr. JOHNSON (Lang) [5.25].—If my memory serves me rightly, this question was thoroughly threshed out when the Government proposals regarding the spirit duties were before us in another form, and I think that we arrived at an agreement that the term "Australian standard brandy" should be applied to the spirit in question.

Sir WILLIAM LYNE.—I understand that there was some agreement.

Mr. JOHNSON.—There is a possibility that the amendment, if adopted, might give rise to misapprehension. All consumers of brandy do not know what are its constituents, and I dare say that the average user is not aware that it is distilled from the grape. I do not think that it is very

material whether we retain the clause as it stands or agree to the amendment, but it is just possible that the use of the term proposed on behalf of the honorable member for Grampians might lead to confusion.

Amendment negatived.

Mr. GLYNN (Angas) [5.27].—I move—

That before the word "It," line 1, second paragraph (b), the words "Unless entered for home consumption before the 1st day of March, 1908," be inserted.

It is understood that if, as the result of further inquiry, it is found that the same condition ought to be inserted in the paragraph relating to Australian standard brandy an opportunity will be afforded for the necessary amendment to be moved.

Sir JOHN QUICK (Bendigo) [5.28].—I do not object to the amendment, which will postpone the application of the two years' maturity condition to Australian blended wine brandy until 1st March, 1908; but in view of the previous discussion I would object to the postponement of the condition in regard to Australian standard brandy. That brandy is composed of pot-still spirit containing volatile elements that can only be worked off by the maturing of the spirit. The point, however, must be raised as to whether, if this amendment be made with reference to Australian blended wine brandy, we ought not also to grant a similar postponement of the maturity condition in respect to Australian blended whisky. I give notice that at the proper stage I shall move such an amendment.

Mr. FOWLER (Perth) [5.31].—I wish to put before the Committee an expert opinion in regard to the advantage of maturing spirits of all classes which I had intended to quote when speaking on the second reading; but the volume was not then available. Mr. J. A. Nettleton, F.C.S., an authority of very considerable weight, at page 236 of a work which is, I believe, regarded as the principal exposition of the methods of manufacturing spirits in the United Kingdom, the processes of maturing, and the general regulations connected with Excise and Customs, says—

In pot still whiskies the by-products range from 40 to 80 grains per proof gallon, the variations in quantity and quality within these narrow limits, vary considerably affecting their flavour. In patent-still spirit or whisky, scarcely any by-product other than propyl alcohol is collected. Both descriptions of spirit, however, are, so far as the consumer's practical tests are applied, decidedly improved by storage in good wine casks.

He proceeds to explain what I have already tried to impress upon honorable members, that although the chemical processes and changes which take place are not very well understood, practical experience shows that it is of advantage to mature spirits by storage in wood. Like the Chairman of the Tariff Commission, I have no objection to the modification proposed by the honorable and learned member for Angas, in view of the custom existing in some of the States which has been recognised as legal and proper, on the understanding that the concession is to apply only for a limited period.

Sir JOHN QUICK (Bendigo) [5.34].—I wish to supplement the remarks of the honorable member for Perth by placing on record two brief extracts from the evidence of experts in regard to this subject. Dr. Thomas Fiaschi, surgeon, of Macquarriestreet, Sydney, said in reply to question 21279 that no spirit should be sold until it reached a certain age, in reply to question 21281, that spirits should be aged before being consumed, and, in reply to question 21323, that they should not be allowed to go into consumption unless three years old.

Mr. JOSEPH COOK.—He is a great authority upon wine, and a medical man of high standing.

Sir JOHN QUICK. — Dr. George Harker, B.Sc., of the Sydney University, and D.Sc. of the London University, a chemist in the employment of the Colonial Sugar Refining Company, gave similar evidence.

Mr. FOWLER.—He is one of the most up-to-date chemists in Australia.

Sir JOHN QUICK. — He is a young scientist, whose evidence was considered of very great value by the Commission. He specially investigated certain points for us, and received the thanks of the Commission for the valuable information which he put before us. He said—

It has been found during the process of maturing spirits that some of the obnoxious constituents diminished in quantity. With brandy the proportion of furfural diminished with age, and the proportion of esters, and of higher alcohols increased. This was supposed to be due to the formation of esters of a peculiar kind, from which old spirit obtained its aroma. From a scientific point of view, the ageing of spirits improved them by removing some of the deleterious constituents, but it was difficult to say to which of the esters or of the higher alcohols the beneficial effects of spirit were due.

Mr. JOHNSON.—Does he say by what process the removal of obnoxious constituents is accomplished?

Sir JOHN QUICK.—No. That is one of the inscrutable secrets of nature. It was on scientific evidence such as I have read that we based our recommendation, without discriminating between spirits of high strength and spirits of low strength.

Amendment agreed to.

Sir WILLIAM LYNE (Hume—Minister of Trade and Customs) [5.36].—I was under the impression that the honorable and learned member for Angas had accepted my suggestion to adopt 1st January, 1908, as the date to be fixed. I cannot agree to a longer period of time than that, and must therefore recommit the clause for the purpose of having the amendment altered.

Sir JOHN QUICK.—I should think that that would be the more convenient date.

Mr. GLYNN (Angas) [5.37].—I should prefer March, because in any case the time allowed is not long enough.

Sir WILLIAM LYNE.—A year and four months is allowed.

Mr. GLYNN.—The period allowed is practically only twelve months, because the reckoning must be made from vintage to vintage, and there is not a big stock of rectified spirit kept in hand. There is not, however, much difference between January and March.

Sir JOHN QUICK (Bendigo) [5.38].—I think that the same arrangement should be made in regard to Australian blended whisky as has been made in regard to Australian blended wine brandy. In a letter which I have received from Mr. J. M. Joshua, he says—

Re "Spirits Bill 1906," and the maturing provisions thereof, it appears to us that there will be a strong (and just) demand for preliminary notice, both on the part of distillers and importers. May I take the liberty of reminding you that this matter was carefully worked out in the Canadian law.

In Canada notice similar to that now proposed was given, and, in view of the attitude taken by the representatives of South Australia, I move—

That before the word "It," third paragraph b, the following words be inserted:—"Unless entered for home consumption before the 1st January, 1908."

Amendment agreed to.

Clause, as amended, agreed to.

Clauses 4 to 6 agreed to.

Clause 7—

... When an officer has given a certificate ... he may, at the request of the owner of the spirits, mark the description of the spirits on the cask. ...

Amendment (by Sir WILLIAM LYNE) agreed to—

That after the word "mark," line 3, the words "or cause to be marked," be inserted.

Clause, as amended, agreed to.

Clauses 8 and 9 agreed to.

Clause 10 (Imported spirits to be matured).

Sir WILLIAM LYNE (Hume—Minister of Trade and Customs) [5.44].—I should like the Committee to take into consideration the question whether it is advisable to require the maturing of all spirits for a period of two years, or whether extra time should not be given. I have already issued instructions that the provision with regard to spirits being matured in wood for two years shall be suspended until 28th February, 1907. Perhaps we can deal with the matter which I have referred by inserting a proviso to the effect that the clause shall not apply until the 1st January, 1908, to gin, Geneva, Hollands, schnapps or liqueurs.

Mr. GLYNN (Angas) [5.47].—I do not think it very much matters whether or not the suggested proviso is inserted in this clause in order to bring the provisions with regard to imported spirits into line with those relating to locally-manufactured spirits. This clause relates to the spirits of the whole world, and surely there cannot be any such dearth of two-year old spirits as to lead to a suspension of importations. With our own manufacturers, the case is different, because they have not the material upon which to operate. It is already provided that the clause shall not come into operation until the 28th February, 1907, and that seems to me to get over the difficulty with regard to shipments on the way to Australia. The notice to shippers and others should surely be sufficient, and I do not see why we should go beyond what we have already done. It is provided that clause 11 shall not apply to spirits which were subject to the control of the Customs on the 17th August last, and which are entered for home consumption before the 1st March, 1907. It was not considered necessary to make a similar provision with regard to imported spirits, and it seems to me to be unneces-

sary to insert the amendment proposed by the Minister. The only question is as to whether we should make any provision for spirits now in bond which have not been matured in wood for two years. Personally, I do not think there is any necessity to amend the clause.

Amendment (by Sir WILLIAM LYNE) proposed—

That the following proviso be added :—" Provided that this section shall not until the 1st day of January, One thousand nine hundred and eight, apply to gin, Geneva, Hollands, schnapps or liqueurs."

Mr. JOHNSON (Lang) [5.54].— I should like to know whether the Minister has considered the representations made during the debate on the spirit duties that gin is a spirit which deteriorates rather than improves with age. It is said that whatever medicinal properties it possesses are due to the juniper berries from which the spirit is popularly supposed to be distilled. But I understand that the juice of the juniper is added to the spirit after distillation. It has been stated that the sooner gin goes into consumption the better it is for medicinal purposes. It is well that this matter should be considered so that we may avoid making a blunder.

Mr. HUTCHISON (Hindmarsh) [5.55].—I take it that the clause as it now stands would permit of the withdrawal from bond of spirits which had not been stored in wood for two years. If my impression be correct, it will not be necessary to amend the clause.

Sir WILLIAM LYNE.—It has been very strongly represented to me that in regard to gin, Geneva, and schnapps, the time allowed is not sufficient to meet the requirements of the case, and I promised this morning that I would amend the clause.

Mr. HUTCHISON.—Do I understand that it will be competent to clear spirits in bond until February next?

Sir WILLIAM LYNE.—Yes.

Mr. FOWLER (Perth) [5.56].—I should like to correct the misapprehension under which the honorable member for Lang appears to be labouring. I would point out to him that gin is not distilled from juniper berries, but is merely a highly-rectified spirit, produced largely from potatoes, and very bad potatoes at that, and flavoured with juniper. I should be very pleased to learn the name of the authority from whom the honorable member for Lang learnt that the immediate consumption of

the article is to be recommended. Immediate consumption might be necessary to prevent the identification of the spirit.

Mr. JOHNSON (Lang) [5.57].— I merely mentioned that it had been stated during the debate upon the spirit duties that gin was not improved by being kept in wood, and I asked whether the matter had received the attention of the Minister. I did not pose as an authority on the subject.

Amendment agreed to.

Clause, as amended, agreed to.

Clause 11—

Spirits distilled in Australia shall not be delivered from the control of the Customs for human consumption unless they have been matured by storage in wood for a period of not less than two years.

Provided that this section shall not apply to spirits which were subject to the control of the Customs on the seventeenth day of August, One thousand nine hundred and six, and which are entered for home consumption before the first day of March, One thousand nine hundred and seven.

Mr. GLYNN (Angas) [5.58].—This clause requires to be amended in order to bring it in keeping with the definition clause as altered by the Committee. I move—

That after the word "to," line 6, the following words be inserted :—" Australian blended wine brandy, or Australian blended whisky which are entered for home consumption before the 1st January, 1908."

Sir WILLIAM LYNE.—What does the honorable and learned member propose subsequent to that? What about other spirits?

Mr. GLYNN.—I propose an extension of time only in the case of Australian blended wine brandy and Australian blended whisky. My proposal would have the effect of bringing the enacting clause into line with the definition. In its present form, the clause refers to spirits which are subject to the control of the Customs Department. That portion of it must be eliminated, because—as I have already pointed out—some of the wine in relation to which the exemption is proposed will be the wine of the next vintage, which cannot possibly yet be subject to the control of the Customs.

Sir JOHN QUICK (Bendigo) [6.3].—I approve of the amendment of the honorable and learned member for Angas, which postpones the operation of the maturity condition for nearly two years in the case of the two blends which he has mentioned.

But I ask the Minister to consider whether the same provision ought not to apply to locally-made gins and Genevas. If the operation of the condition as to storage in wood is to be postponed in the case of imported gins and Genevas, it ought also to be postponed in the case of locally-made gins and Genevas. I therefore suggest that the honorable and learned member for Angas should add to his proposal the following words, "and Australian gins and Genevas."

Mr. GLYNN.—I have no objection.

Sir WILLIAM LYNE.—I do not know what effect the amendment might have. I do not know whether Hollands, or schnapps, or liqueurs are produced in Australia.

Sir JOHN QUICK.—There are no liqueurs produced here.

Sir WILLIAM LYNE. — What about schnapps?

Sir JOHN QUICK.—Schnapps are distilled in Australia.

Sir WILLIAM LYNE.—Then the exemption should also apply to them.

Mr. FOWLER (Perth) [6.5].—I fancy that liqueurs are produced in some parts of Australia.

Mr. POYNTON.—Are they not made at Seppeltsfield?

Mr. FOWLER.—I believe that they are, and that they are also produced in, at least, one Victorian wine-making establishment. I am of opinion that there is a considerable future in Australia for the production of liqueurs. If we are going to relax the condition relating to the maturing of spirits, I see no reason why it should not be relaxed all round. In my judgment, it is a distinctly retrograde step, but I like to be as logical as possible, and if we grant an extension in the case of two classes of spirits, I think that other spirits which are upon the same footing as regards their manufacture should be treated in a similar way.

Mr. HUTCHISON (Hindmarsh) [6.7].—I am sure that the Minister must recognise that, inasmuch as we have exempted imported spirits from the condition laid down as to storage, we must also exempt spirits which are locally produced. If we intend to make any distinction between the two classes of spirits, we should not do so to the detriment of our own distillers.

Sir WILLIAM LYNE (Hume—Minister of Trade and Customs) [6.8]. — I would point out that this provision applies to all

Australian spirits. All that seems to be necessary is to alter the latter portion of it, so as to make it apply to spirits which are entered for home consumption before the 1st of January, 1908.

Mr. GLYNN.—No; because some of the wine cannot be under the control of the Customs Department at present.

Sir WILLIAM LYNE.—That remark applies only to next year's vintage.

Mr. KENNEDY.—Surely the honorable and learned member for Angas would not make the extension applicable to that?

Mr. GLYNN.—Spirits cannot be matured if they do not exist.

Sir WILLIAM LYNE.—These are very delicate matters to touch upon without first giving them very full consideration. If the honorable and learned member will allow the clause to pass in its present form I will have it re-drafted in such a way that there can be no possibility of mistake, and I will agree to its recommittal.

Mr. KENNEDY (Moir) [6.10].—I do not quite follow the honorable and learned member for Angas in his proposal. I think the clear intention of the provisions of the Excise Act is that spirits shall not be allowed to pass into consumption until they have been matured in wood for a period of two years. I can quite understand the provision which is embodied in clause 10, that some little extension of time should be allowed for the clearance of imported spirits, and that Australian spirits, which have already been distilled, should be permitted to pass into consumption under similar conditions. But to allow spirits which have not yet been distilled to pass into consumption in less than two years was never contemplated by honorable members.

Mr. GLYNN (Angas) [6.11].—I can assure the honorable member for Moira that I really intended to ask that this provision should apply to future vintages, because we cannot make Australian brandy from the present wine stocks. I would point out to him that the amendment would not apply to Australian standard brandy, but simply to the rectified spirits, which enter into blends, and which it is urged do not improve with age.

Sir WILLIAM LYNE.—I should like time to consider the honorable and learned member's proposal, because it seems to me that he suggests a rather long extension.

Mr. GLYNN.—The extension would apply only in the case of grape wine spirit, because we have to wait for the vintage. In

its distillation are already available.

Sir JOHN QUICK (Bendigo) [6.13].— I would prefer to grant an extension of time rather than agree to the abolition of the condition relating to the maturing of spirits. The Minister might, therefore, consider whether, in the case of grape spirit, he will extend the provision relating to the maturity of spirit till March, 1908, as suggested by the honorable and learned member for Angas.

Sir WILLIAM LYNE.—If the honorable and learned member will allow the clause to pass in its present form, I will consent to its recommittal at a later stage.

Mr. GLYNN.—Upon the understanding that the Minister will bring down a clause to overcome the difficulty, I ask leave to withdraw my amendment.

Amendment, by leave, withdrawn.

Clause agreed to.

Clause 12 (Inferior spirits).

Mr. LIDDELL (Hunter) [6.15]. — It seems to me that this clause contains a provision which is not altogether in harmony with the Commerce Act. It provides that if, after examining a sample of any spirits which are under the control of the Customs, a Commonwealth analyst certifies that they are of an inferior quality, and unsuitable for human consumption, the Minister "may" permit them to be exported. It seems to me that under the clause as it stands a firm might import a quantity of unsuitable spirit, and export it as an Australian production.

Sir WILLIAM LYNE.—There would be no likelihood of such a thing taking place. The word "may" is used.

Mr. LIDDELL.—It might be construed as having in this connexion the same meaning as "shall."

Sir WILLIAM LYNE.—I do not think that what the honorable member suggests could be done under the Commerce Act.

Mr. LIDDELL.—It seems to me to be a very dangerous provision.

Mr. JOHNSON (Lang) [6.16].—I think that the contention of the honorable member for Hunter is one that the Minister should seriously consider.

Mr. HUTCHISON.—Since an importer of inferior spirit could not redistil it in Australia, surely he ought to be allowed to redistil it beyond the Commonwealth?

Mr. JOHNSON.—It seems to me that such spirit might be exported, not for redistillation, but to be sold as Australian

product of Australian distilleries.

Mr. HUTCHISON.—The Commerce Act would prevent that being done.

Mr. JOHNSON.—If it were enforced, it might do so; but this provision seems to be in conflict with the Commerce Act.

Sir WILLIAM LYNE.—Such spirit could not be exported as of Australian production. Would the honorable member have the Minister throw it into the sea?

Mr. JOHNSON.—Willingly. The Minister would have no control over it after it left Australia, and I repeat that it might be regarded as of Australian production.

Sir WILLIAM LYNE.—There is no danger of that.

Mr. KELLY (Wentworth) [6.18]. — In the absence of a Ministerial explanation, there appears to be a difficulty in ascertaining the intention of this clause. I take it that it is to afford something in the nature of a guarantee to an importer that, if any spirit which he introduces does not come up to the standard required by the analyst—a standard he cannot forecast—it will not be destroyed, if intended for re-export.

Sir WILLIAM LYNE.—That is the intention.

Mr. KELLY.—Then there can be no objection to it.

Clause agreed to.

Clause 13—

1. Spirits distilled in Australia and imported spirits may be methylated in accordance with this Act and the regulations.

2. There shall be three classes of methylated spirits as follows:—

(c) Spirits for special manufactures.

Amendment (by Sir WILLIAM LYNE) agreed to—

That the word "three," line 4, be left out, with a view to insert in lieu thereof the word "four."

Amendment (by Sir WILLIAM LYNE) proposed—

That the following new paragraph be inserted:—

"(d) Spirits to be used for purposes of scientific investigation in connexion with universities or public institutions."

Mr. FOWLER (Perth) [6.21].—I should like to know whether the amendment would apply to spirits used, for instance, for the preservation of museum specimens? Some requests were made to the Commission by those in charge of museums that a concession should be granted in respect of

the Minister ought to extend this concession to spirits for the preservation of such specimens intended, not necessarily for scientific investigation, but for the equipment of museums, and incidentally for the instruction, if not for the amusement of the people.

Sir WILLIAM LYNE.—I think that the amendment would apply to spirits so used. The preservation of certain things in spirits would be for scientific purposes.

Mr. FOWLER.—If my memory serves me correctly, the greater proportion of spirit required by public institutions, such as museums, is used for preserving specimens. If the Minister has any doubt on the point he ought to so extend the amendment as to embrace spirits used in museums.

Sir WILLIAM LYNE.—I think that the amendment will cover such spirits, but if it does not I shall be quite prepared to extend it to them.

Amendment agreed to.

Sir WILLIAM LYNE (Hume—Minister of Trade and Customs) [6.24].—I move—

That the following new sub-clause be inserted:—

"4A. Spirits for use in scientific investigation shall be treated and dealt with in manner prescribed."

Sir JOHN QUICK.—Why not "shall be methylated?"

Sir WILLIAM LYNE.—I did not draft the amendment, but the Crown Law Officer who dealt with the matter thinks that it is the better provision to insert.

Sir JOHN QUICK.—It is very dangerous.

Mr. HUTCHISON (Hindmarsh) [6.26].—This provision will have to be carefully safeguarded, for it will open the door to an evasion of Customs duties. It is difficult to say how many men will show a desire for scientific investigation if they have no difficulty in securing spirits at ordinary rates. The Minister ought to tell the Committee how he proposes to safeguard this provision.

Mr. FOWLER.—Such a concession is granted in almost every civilized country.

Sir WILLIAM LYNE (Hume—Minister of Trade and Customs) [6.27].—It has been very strongly represented to me that this concession should be granted, and I find that it is customary to allow spirit for scientific purposes to be used, subject to stringent restrictions.

Mr. HUTCHISON.—That is all I desire.

the honorable member what will be the wording of the regulations governing this concession until they have been drafted, but I can assure him that I shall be very careful, since the whole of that part of the Bill which relates to methylation has been framed with a view to prevent the evasion of Customs duties which now takes place. I referred to the matter on moving the second reading of the Bill, and mentioned that not long ago a process was discovered by which the methylation may be removed, and that spirits so treated can then be sold as being pure. The object of this clause is to safeguard the revenue to a greater extent than it has been, and it will be difficult to evade the regulations under it.

Amendment agreed to.

Clause, as amended, agreed to.

Clause 14 agreed to.

Clause 15—

A person shall not—

- (a) sell or have in his possession any illicit methylated spirits; or
- (b) sell or have in his possession any article of food or drink, or any scent essence tincture or medicine, containing any methylated spirits.

Penalty: One hundred pounds.

Amendment (by Sir WILLIAM LYNE) proposed—

That before the word "sell," line 4, the words "After the first day of January, 1907," be inserted.

Sitting suspended from 6.30 to 7.30 p.m.

Mr. HUTCHISON (Hindmarsh) [7.30].—I am glad that the Minister has inserted in the Bill a provision which imposes a penalty on any person who may sell or has in his possession illicit methylated spirits, or any article of food or drink, or any scent, essence, tincture, or medicine, containing methylated spirits; but I should like to know whether such a provision can be enforced if enacted by Parliament. If it can, we have power to pass similar enactments in regard to other spirit. On the 7th March last, to quote from a newspaper report of the meeting of the Adelaide Central Board of Health—

Messrs. W. P. Auld and Sons forwarded sample of whisky which had been purchased by them at the Agricultural Show ground. The whisky was in a bottle labelled "Buchanan's House of Commons whisky." The writers had no hesitation in pronouncing the spirit to be South Australian spirit made from grapes. It was pointed out that there was a great deal of this false trading being carried on in and around Adelaide,

and the board's co-operation was asked for in endeavouring to put an end to such a "disgraceful practice." To be informed that the board had for some years been cognizant of the practice of selling colonial spirit as imported, but on account of the importation of bulk spirit, capsules, corks, and labels, by some importers, and the legal difficulties that had arisen in connexion with prosecutions by this board, under present legislation, the board felt unable to take any useful action in the matter.

I referred to this matter here about three years ago, suggesting that the Minister should, under section 51 of the Customs Act, prohibit the importation of capsules and labels. It was objected that if their importation was prohibited, they would be made and printed here; but I pointed out that if that were made an offence, the fear of detection would act as a deterrent, and suggested that it might be made compulsory to bottle imported spirit in bond. If that were done, it would prevent good spirit from being blended with cheap spirit, on which a lesser duty had been paid. I could not, however, persuade the Government to do anything in the matter, and, therefore, bring it under the attention of the Minister once more. Again and again in the South Australian Courts have cases been brought for the sale of spirit under proof; but it has been held that once spirit has passed through the Customs, the Commonwealth Government cannot interfere with its sale. The question has been raised before the Full Court of South Australia, whose judgment is given in the following report:—

In the Full Court judgment was delivered by Mr. Justice Gordon and Mr. Justice Homburg in *Robinson versus Hall*, which was a special case reserved by the Police Court of Adelaide with respect to the sale of liquors under a certain degree of proof strength. The results of the judgments suggest that the law is in an unsatisfactory state, from the public point of view. There are at present two statutes in existence which deal with the question of the sale of liquor under proof. Both judges held that the State law could not be enforced because the only person who could lay informations under it was the State Collector of Customs, whose office had been abolished by the establishment of the Commonwealth. Mr. Justice Homburg, however, went further than this, and gave expression to the startling decision that in legislating with regard to the sale of spirits within the State, the Commonwealth had exceeded its powers under the Constitution, and therefore that part of the Commonwealth Act which dealt with this matter is invalid. The effect of the decision of the Full Court is that the State law cannot be enforced, and that the Commonwealth law dealing with this matter is invalid. In these circumstances, it appears that there are no provisions of any Distillation Act

Mr. Hutchison.

which govern and regulate the strength at which spirits are to be sold to the public in South Australia.

Mr. KENNEDY.—There must be a defect in the South Australian law, because in this State such cases are dealt with under the Victorian law.

Mr. HUTCHISON.—I take it that the Victorian Judges would be in accord with the South Australian Full Court.

Mr. KENNEDY.—But the prosecutions are not proceeded with under a Commonwealth Act.

Mr. HUTCHISON.—In the report from which I have quoted it is stated that the Commonwealth Parliament has exceeded its constitutional powers, and its legislation, therefore, is invalid, while it is also held that the State law cannot be enforced.

Sir JOHN QUICK.—That appears to be because there is no officer to prosecute, a difficulty which could be got over.

Mr. KENNEDY.—Under the Victorian licensing law an inspector prosecutes, and it is not unusual for fines to be recovered for the sale of spirit more than a certain number of degrees under proof.

Mr. HUTCHISON.—I am very glad to hear that it is so.

Mr. KENNEDY. — The Commonwealth Parliament cannot deal with this matter.

Mr. HUTCHISON.—It seems to me that if we have power to prohibit the sale of methylated spirit in the manner provided for in clause 15, we have power to make laws relating to the importation and subsequent adulteration of bulk spirit.

Sir WILLIAM LYNE.—I do not think so.

Mr. HUTCHISON.—In many cases, there is no control once spirit has passed through the Customs House. Consequently good spirit is often adulterated with poor spirit, on which less duty has been paid, so that the Commonwealth loses revenue, and the public is supplied with an article which is not much better than poison. I should like the Minister to explain how he intends to enforce his provision.

Mr. JOHNSON (Lang) [7.38].—In my opinion the clause should be amended. It provides that any person selling, or having in his possession, illicit methylated spirit or any article of food or drink, or any scent, essence, tincture, or medicine containing methylated spirit shall be liable to a fine of £100. It seems to me that this provision, if not amended, might operate harshly and unjustly. A young lady who

reasonably be expected to know what it contains. But, if it contained methylated spirit, she would be liable, under the clause, to a penalty of £100. I suggest the insertion of the word "knowingly" in the first line of the clause, so that it shall read "a person shall not knowingly sell or have in his possession."

Sir WILLIAM LYNE.—That amendment may open a very wide door. We must be very strict, as otherwise we cannot prevent the illicit use of methylated spirit. It seems to me that the person proceeded against should at least have to prove that he did not know that he was selling, or that he had in his possession, methylated spirit.

Mr. JOHNSON.—Chemists and medical men might well be held responsible for the preparations with which they were dealing, because they would know what they contain; but the average layman could not reasonably be expected to have such knowledge.

Mr. HUTCHISON.—Ignorance is no excuse under the local health Acts.

Mr. JOHNSON.—If so, that does not make the injustice of this provision any the less. The honorable member might, with that generosity which characterizes a young man during a certain phase of his existence, purchase from a druggist a bottle of scent to present to the object of his affections, not knowing that it contained methylated spirit, and if it were found in his possession he would be liable to a penalty of £100. The young lady to whom the scent was presented would be similarly liable.

Mr. HUTCHISON.—The honorable member does not suppose that the inspectors would search every private citizen?

Mr. JOHNSON.—We have had sufficient experience with regard to the exercise of unlimited powers conferred on officials to make us careful in matters of this kind. We know that certain provisions have been administered in a manner that was never dreamt of by those who enacted them; and what has happened in other cases may occur in this instance. At any rate, we should do our best to safeguard innocent persons. I suggest that after the word "not" the word "knowingly" should be inserted.

Sir WILLIAM LYNE.—I could not accept that amendment.

Mr. JOHNSON. — Then perhaps the Minister might consent to amend the clause by providing that a person should not

illicitly methylated spirits. Sir WILLIAM LYNE (Hume—Minister of Trade and Customs) [7.47]. — That would not quite meet the case. The only amendment that I could consent to would be a provision which would throw the onus of proof that he was innocent upon the person having the spirits in his possession. I shall have to recommit other clauses in the Bill, and I shall consider the question of framing an amendment to achieve the object which the honorable member has in view.

Mr. GLYNN (Angas) [7.48].—I think that there are provisions in the Customs Act, and also in the Australian Industries Preservation Bill, to much the same effect as that which the honorable member for Lang desires to insert. The honorable member for Hindmarsh raised a question as to our power to pass this legislation. When the Distillation Act was under discussion, two or three years ago, I and other honorable members expressed doubt as to our power to prescribe certain standards of purity and strength for wine and spirits, except for the purpose of checking the collection of duties. Although we have power to prescribe certain standards of purity, as we have done in the Excise Act, I doubt very much whether we can go beyond that. This Bill contains provisions that have nothing to do with the collection of duties, and the same remark applies to the Distillation Act. In one case, in South Australia, our power to prescribe certain standards that were not required for the collection of duties was questioned. I do not think that that point was absolutely decided, because another question was raised. The information had to be laid by the State Collector of Customs under the State Act, and the question was whether the State Act had not been abrogated by the Commonwealth Distillation Act. It was decided that there was no Collector of Customs appointed by the State, inasmuch as the State Collector had been superseded by the Commonwealth officer. I argued on a previous occasion that our legislation was *ultra vires*, in so far as it exceeded our power to prescribe standards required to enable us to protect the revenue. I think that the Attorney-General, as a private member, then took a similar view. The difficulty could best be overcome by the States stepping in and passing an Act under which information could be laid by someone else, or by the Common-

Commonwealth Act. I think that our legislation is *ultra vires* to the extent I have indicated, and no doubt the question will be raised at the very first opportunity.

Mr. JOHNSON (Lang) [7.52].—I wish to know whether the Minister will recommit the clause with a view to having it amended in the direction I have indicated?

Sir WILLIAM LYNE.—Yes, I am prepared to look into the matter, and see what can be done.

Mr. HUTCHISON (Hindmarsh) [7.53].—I should like to know if we have power under the Constitution to enforce the clause now before the Committee? I hope that we have, but I judge from what the honorable and learned member for Angas has stated that the question will probably have to be argued before the High Court.

Mr. DEAKIN (Ballarat—Minister of External Affairs) [7.54].—It is the opinion of the Law Department that we have the power to enforce the clause, or it would not be in the Bill. However, as the question has been raised again, and as it has the weight of the opinion of the honorable and learned member for Angas behind it, I shall ask the Attorney-General to make further inquiry into the matter.

Clause, as amended, agreed to.

Clauses 16 to 25 agreed to.

Schedule—

STANDARD FOR INDUSTRIAL SPIRITS.

The spirit before methylation to be of a strength not less than sixty-five degrees over proof, and to be methylated by the addition of two per cent. of wood naphtha and one-half per cent. of pyridine liquid.

STANDARD FOR MINERALIZED SPIRITS.

The spirit before methylation to be of a strength not less than sixty-five degrees over proof, and to be methylated by the addition of one per cent. of wood naphtha, one-quarter per cent. of pyridine, two to twenty per cent. of benzine, and one-quarter per cent. of aniline violet or blue dye.

Sir JOHN QUICK (Bendigo) [7.58].—The standard prescribed for mineralized spirit is based upon the evidence of Dr. Harker, of Sydney, whose valuable assistance I have previously been glad to acknowledge. He has written to me, pointing out two slight technical errors which I desire to rectify. I move—

That the word "benzine," line 13, be left out, with a view to insert in lieu thereof the word "benzene."

whereas "benzene" is a product of petroleum oil.

Amendment agreed to.

Amendment (by Sir JOHN QUICK) agreed to—

That the words "a solution of" be inserted before the word "aniline," line 13.

Schedule, as amended, agreed to.

Preamble.

Mr. GLYNN (Angas) [8.0].—I should like to ask the Minister whether he will take steps to get the Excise Bill brought into line with this measure? It seems to me that that course must be adopted owing to the changes which we have made in the definition of brandies.

Sir WILLIAM LYNE (Hume—Minister of Trade and Customs) [8.1].—The question raised by the honorable and learned member is rather an important one, seeing that the Excise Bill is at present before the Senate. I quite recognise the necessity for doing as he suggests. To-morrow, I shall endeavour to ascertain whether effect can be given to his suggestion.

Mr. FISHER (Wide Bay) [8.2].—I understand that it is the intention of the Minister to recommit clause 11 for the purpose of allowing honorable members to further consider the date upon which that provision shall come into operation. I have some technical information which I should like to put before him prior to its reconsideration being entered upon.

Sir WILLIAM LYNE (Hume—Minister of Trade and Customs) [8.3].—I may inform the honorable member that amendments have been made in the definition clause, and these necessitate an amendment of clause 11. I did not deal with the matter to-night, because I thought that the provision might not be amended in a symmetrical form, and I promised to recommit it, perhaps to-morrow, so as to permit of that being done.

Preamble agreed to.

Title agreed to.

Bill reported with amendments.

ASSENT TO BILLS.

Assent to the following Bills reported:—

Meteorology Bill.

Designs Bill.

Judiciary Bill.

Debate resumed from 23rd August (*vide* page 3315), on motion by Mr. GROOM—

That the Bill be now read a second time.

Mr. WILKS (Dalley) [8.5].—I move—

That all the words after "That" be left out, with a view to insert in lieu thereof the words:—
"It is not expedient to proceed further with this Bill during the present session, for the following reasons:—

1. A general election is imminent, and there is consequently not sufficient time for the proper consideration of the measure, or for making the necessary electoral arrangements if the Bill became law.

2. The proposals contained in the Bill are crude and incomplete.

3. No provision is made for increasing the total number of votes polled, or for effective voting.

4. The question has not been considered by the constituencies.

In submitting the amendment I would point out that at the two general elections which have been held for the Commonwealth, I was returned, not only by absolute majorities, but by enormous majorities.

Sir WILLIAM LYNE. — The honorable member will not be so returned at the approaching election.

Mr. WILKS.—I am not a prophet, and I do not indulge in political forecasts as frequently as does the Minister of Trade and Customs. He usually blunders in his prophecies. I need scarcely point out that when he filled the office of Minister of Home Affairs, in the Barton Administration, he was opposed to this very Bill.

Sir WILLIAM LYNE.—I do not think that is so.

Mr. WILKS.—I was pointing out that at the two Federal elections which have taken place, although I was engaged in three-cornered fights, I defeated both the protectionist candidate and the official Labour candidate by one of the largest majorities obtained in the Commonwealth. It cannot, therefore, be urged that my action on the present occasion is prompted by personal considerations. I could quite understand the action of the Government in fighting for majority rule if they forced a majority of the electors to vote. If they submitted a scheme of compulsory voting I could quite appreciate their action in bringing forward this measure. Personally, I believe that in the very near future the citizens of Australia will be compelled to

obliged to respect any other Statute. The Minister of Home Affairs does not propose that the Bill under consideration shall apply to the elections for the Senate. He is content to prescribe one form of ballot-paper for the election of representatives to this House, and another form for the election of members to the Senate. I am not one of those who believe that the electors would be likely to be "fogged" at the poll by the adoption of a system of preferential voting, but I do say that the use of two different systems will unquestionably cause confusion, and perhaps arouse their suspicion. The Minister of Home Affairs, in moving the second reading of the measure, stated that the present system of voting had failed, so far as majority representation is concerned, only in thirteen constituencies throughout the Commonwealth—that two of these electorates were to be found in Tasmania, two in Queensland, and nine in Victoria. The existing system has not resulted in the return of any representative to this House upon a minority vote, either from New South Wales, South Australia, or Western Australia. Consequently this Bill has been drafted in the interests of Victoria alone.

Mr. GROOM. — In the interests of Australia.

Mr. WILKS.—It is all very well for the Minister to say that. I hold that by the introduction of the optional system of preferential voting the Ministry are considering only the interests of Victoria. At the last general election, I find that of the persons who were entitled to vote, only 47 per cent. exercised the franchise in New South Wales, only 51 per cent. in Victoria, only 54 per cent. in Queensland, only 32 per cent. in South Australia, only 28 per cent. in Western Australia, and only 45 per cent. in Tasmania. That is a pitiful picture to put before the country. Any political party is materially benefited by organization, and we all recognise that the best organized political force in Australia is the Labour Party. I am firmly of opinion that in the very near future measures will have to be taken to compel the electors to act up to their citizen responsibilities. At the general election, which was held in 1901, there were only four constituencies in New South Wales which returned representatives to this Parliament upon minority votes. In Victoria, however, there were nine such constituencies—

the same mystical nine that were referred to by the Minister of Home Affairs. In those days we heard nothing from the *Age* newspaper or from the leader of the present Government upon the defects of the existing system. If it be wrong to-day, it was wrong then. In Queensland and South Australia a system of single electorates has prevailed, and you, Mr. Speaker, were among those who secured an absolute majority. A similar condition existed in Tasmania, but in the return before me no particulars are supplied with respect to the position in Western Australia. I wish to emphasize the fact that this Bill does not provide for compulsory voting, and that the exercise of the contingent vote will be purely optional. If the Government consider that the contingent vote would lead to majority rule, surely they should have proposed that it should be compulsory. The weak spot in this Bill is that, if it were passed, a well-organized force, such as the Labour Party, would advise its supporters not to exercise their right to cast a contingent vote.

Mr. McCOLL.—The system ought to be compulsory.

Mr. WILKS.—But under this Bill it will not be compulsory. A well-organized, well-disciplined force, like the Labour Party, would simply direct its supporters to exercise only their primary votes. In this way, the Bill would lead to what the *Age*, which strongly supports it, has described as clique or fancy voting. The honorable member for Kennedy has told us that the contingent voting system is not availed of in Queensland. In December, 1902, the Barton Government introduced an Electoral Bill providing for a system of proportional or contingent voting, which was to be compulsory, and Senator Dawson, a representative of Queensland, when discussing that Bill, said that the Queensland contingent voting system had been an absolute failure. On the 17th June, 1902, the honorable member for Bland, in dealing with the same measure, said the contingent vote would prove confusing to the electors. The honorable member for Hume, who was then Minister of Home Affairs, urged, on his own initiative, that the proposal in regard to the contingent or proportional vote should be negatived. He said that he had made a calculation, and as he found that the proposed system was most confusing, he recommended the Committee to reject it.

Sir WILLIAM LYNE.—I think that that Bill embodied a proposal on the lines of the Hare system of proportional voting.

Mr. WILKS.—It provided for proportional voting, but in that case the contingent vote would have been compulsory, whilst under this Bill it is to be optional.

Mr. PAGE.—Would the honorable member support the Bill if the contingent vote were made compulsory?

Mr. WILKS.—In conjunction only with other measures.

Mr. GROOM.—What other measures?

Mr. WILKS.—Compulsory voting. The Minister of Home Affairs must be aware that many schemes have been propounded to secure effective voting power. When the Electoral Bill providing for the proportional or contingent vote was before the Senate in 1902, the *Age*, which to-day is the most powerful press advocate of this measure, and is publishing articles by Professor Nanson in support of it, held his scheme up to opprobrium. To-day it is employing Professor Nanson to write articles in support of a system which only a few years ago it violently opposed. I propose now to quote from an article published in that journal in February, 1902. On that occasion it referred in complimentary terms to the action taken by Senator Symon, who opposed the contingent voting system and the proportional system generally. Senator Symon pointed out the weakness of the Government proposal, and the *Age* applauded his action. It also referred to the opinion expressed by John Bright in the following terms:—

John Bright denounced the Hare system as one that "shows mistrust of the people," and as a fad which seeks to make Parliament "a political photograph" of the nation in order that fads, fancies, and follies may have their representation in the House of Parliament.

Bright may have been exaggerating a little when he said that proportional representation is designed to call into being Parliaments of political lunatics, but it cannot be denied that in making electorates "constituencies of opinion," instead of persons, the system encourages the formation of Legislatures fit only to debate and argue abstract theories and not to make laws on subjects which are ripe in the popular intelligence.

I believe that statement focuses the present position. Parliament is not only a deliberative, but a legislative and governing, body. We come here not only to debate fads, theories, schemes, or principles, but to carry legislation and to control the public affairs of the Commonwealth. I can

well understand any far-seeing man asserting that, if this work is to be properly carried out, we must have majority representation. The Right Honorable Richard Seddon was always an advocate of compulsory voting, and I believe that it was on his initiative that the New Zealand Legislature passed a law under which the names of electors who fail to record their votes at an election are struck off the roll. Their failure to exercise their right is construed as showing that they are either dead or have left the district. Their names are struck off the rolls unless the returning officer is presented with a medical certificate showing that they were unable to vote.

Mr. PAGE.—And their names are almost immediately afterwards restored to the rolls.

Mr. WILKS.—Neither the police nor any other officials take steps to immediately place them on the rolls, unless they make personal application. The citizens themselves must take action. I have often thought that if, instead of requiring the police to prepare voters' lists, we made it compulsory for the electors to register their names within a certain period, we should secure more complete rolls, and avoid much expenditure. The honorable member for Yarra may shake his head, but I feel confident that that system would prove most effective.

Mr. TUDOR.—When it prevailed in Victoria the number of males on the rolls was 33 per cent. below the present number.

Mr. WILKS.—Were the electors required to register?

Mr. TUDOR.—Their names were transferred from the ratepayers' roll to the general roll.

Mr. WILKS.—If the electors knew that they would be subject to certain penalties for neglect of their right as citizens to vote, they would be careful to register their names, and the country would be saved great expense. At the same time, I feel confident that the polling at a general election would be much heavier than it is. I know that ideal representation is secured by the proportional system.

Mr. GROOM.—In the passage the honorable member quoted, did not Bright condemn proportional representation?

Mr. WILKS.—Whenever I refer to proportional representation the Minister mentions the names of Clark, Droop, or Gregory. He forgets to tell the House

that the schemes of those men were all based on the contingent voting system, and that it was said that contingent voting would lead to great difficulty and confusion. I am not here to demonstrate a problem in higher mathematics—I am not here to explain either the Hare-Spence, Gregory, or Nanson system. If I were I should require a blackboard and a piece of chalk. It would be easier for me to present the Treasurer with a treatise on the differential calculus than it would be for me to give him a clear exposition of these several schemes. We cannot deal with electors as we can with a formula in mathematics. Every candidate has a personal as well as a political influence. My first reason for moving this amendment is that a general election is imminent, and that there is consequently not sufficient time for the consideration of the measure, or to make the necessary electoral arrangements if it becomes law. I do not say that the people would be unable to understand this system if it were used at the next general election. I should not cast such a reflection on electors who went to the poll. If I did I could not hold that the electors were competent to deal with the many complex problems of legislation. I do say, however, that since they have been accustomed in most of the States for years to cast only a primary vote, the system proposed under this Bill would be somewhat novel to them. The electors are to be presented with two different ballot-papers, one for the election of senators, framed according to a system which they understand, and the other for the election of members of the House of Representatives, which must be marked with the figures 1, 2, 3, 4, and so on according to the order of preference. This will create confusion, and, moreover, will give an advantage to organized voters. In Queensland, we are told, the preferential system is rarely used, even the Minister of Home Affairs having admitted that it has affected only five elections in fourteen years. The Labour members who represent that State say that the people do not use the preferential system, and Senator Dawson has spoken of it as confusing. In Tasmania, a more definite system of proportional voting, embodying the contingent principle, and making it compulsory, was tried, but, after a trial extending over two State elections and one Federal election, they went back to a simpler arrangement.

system.

Mr. WILKS.—The Tasmanian public did not protest against its abolition.

Mr. STORRER.—Yes, it did.

Mr. WILKS.—We have heard no protest against the action of this Parliament in abolishing the system in connexion with Commonwealth elections. I should not have so much objection to the preferential system if it were made compulsory. The Minister, however, has admitted that there is not sufficient time this session for the proper consideration of the measure.

Mr. GROOM.—No.

Mr. WILKS.—When the honorable gentleman was moving the second reading, the honorable member for North Sydney asked him why he did not propose to apply the principle to the election of senators, and his reply was that he would be glad to do so if the Senate could find time to consider and agree to such an arrangement. But surely the concurrence of the Senate will be asked in reference to the proposal now before us, and that will take time. I read the Minister's speech very closely, and it seemed to me that it contained the tacit admission that we have not time to deal properly with the measure this session. Another reason why we should not pass the second reading is that there is not sufficient time within which to make the arrangements necessary to bring its provisions into operation. Some honorable members are feigning a burning desire to go before their constituents, and are asking every day when is the election to be. I have been in Parliament for many years, but I have never known honorable members to be really desirous of going before their constituents. It seems to me that those who had the narrowest majorities at the last election are apparently the most eager to submit themselves for re-election.

Mr. PAGE.—Let us not talk about it.

Mr. WILKS.—That is exactly how I feel. In reply to these inquiries, the Minister of Home Affairs has said that the elections cannot take place before the 21st November, because his officers cannot have everything in readiness at an earlier date. The returning officers are amateurs, who are most anxious not to violate our complicated electoral law by any oversight or any misunderstanding of its provisions, and if they are asked to make themselves acquainted with an entirely new system,

and carry out the preparations and to give the instructions necessary for bringing it into operation, the elections will have to be put off until a later time. My next objection to the Bill is that its provisions are crude and incomplete. They must be incomplete so long as they remain optional. If contingent voting would prevent minority rule, and bring about majority rule, it must be made compulsory. Is this measure to be dealt with by the Government as they have dealt with all their other measures? They have not yet submitted a Bill which they have not had to seriously amend; in many cases to such an extent as to entirely alter its complexion. After the members of the Opposition have pointed out blemishes in and objections to a measure, we have had the Attorney-General or some other Minister, as in the case of the Australian Industries Preservation Bill, bringing down sheaves of amendments, completely altering its structure. Is that course to be taken in regard to this Bill? Although the Government appear now to be so much in favour of majority rule, and assert that their proposals are made in order to secure it, they brought forward no measure of this kind in 1902, when they were in power. Does the Minister intend now to make the contingent system compulsory? If he does not, leaving it optional, the measure will be incomplete, while, if he does, the Opposition will have the right to any credit that may exist in connexion with it, although its provisions will still be as crude as any which could well be presented to a legislative body. All the able political thinkers who have dealt with this subject favour the compulsory and not the optional adoption of the system. Another objection I have to the Bill is, that it makes no provision for increasing the number of votes polled, or for securing effective voting. Any Government honestly wishing to secure majority rule should make provision for increasing the total number of votes polled.

Mr. HUTCHISON.—I intend to move an amendment to that end.

Mr. WILKS.—I am glad to hear it.

Mr. PAGE.—The honorable member's amendments are too drastic.

Mr. GROOM.—He should reserve them until the Committee stage is reached.

Mr. WILKS.—This young member of the Ministry which claims to long for responsible government, is unwilling to take responsibility for the principles of the

Bill, and to fight for them on the motion for the second reading, although all constitutional authorities say that the principles of a measure should be stood by at this stage. The real desire of the Ministry is to secure an advantage for their party in connexion with the Victorian elections. They ask us not to strike a hard blow at this stage; but are they really studying the interests of the electors? I should be willing to assist in bringing about the polling of a larger number of votes, and in securing effective voting, because it is the duty of every public man to do so, but the Government are taking no steps in that direction. Their proposals will not get rid of minority representation, because organizations will direct their members not to use the contingent vote. That will at once provide for plumping, a system which was deliberately rejected when the electoral laws were under consideration before. I cannot believe that even those who have fathered this measure desire that it shall remain in force after the next general election. It is intended to be used upon that occasion alone. It is all very well for the Minister of Home Affairs to tell me that I am suspicious, but, under the circumstances, I cannot be otherwise. Three years ago the *Age* expressed itself very strongly against the adoption of a much superior system of voting, and now they are enlisting the assistance of Professor Nanson in advocating the present faulty scheme. The scheme submitted to us is an abortion. I am sure that the Labour Party do not want to introduce compulsory voting. They would not adopt any system which would compel the Deakinites or the Reidites to go to the poll and bring about their discomfiture, whilst I could not support an optional system of preferential voting which would place undue power in the hands of the organized forces of labour. I feel perfectly sure that the measure is not expected to operate in New South Wales, but that the Ministry have their eyes upon nine seats in Victoria, two in Tasmania, and two in Queensland, which will be affected by the adoption of the preferential voting system. This cannot be called a Commonwealth measure, because it would be only partial in its operation. On a former occasion the Minister of Trade and Customs advised the House to throw out a similar proposal, because he could not understand it. The *Argus*, which, like all the other principal papers of Aus-

tralia, is very creditably conducted—I do not speak of it from a party point of view, but as a literary production—recently took the trouble to give illustrations of the manner in which the proposed new system would work out. It published several sets of figures, which, in the main, were correct; but in the second or third illustration a mistake of 100 votes was made. When the system is so complex that the *Argus* becomes fogged, how can we expect the average returning officer or deputy returning officer to understand it? It would not be fair to call upon our electoral officers to introduce a new system of voting upon such very short notice. If they were called upon to undertake such an unreasonably heavy task, grievous blunders would be inevitable, and the public would be bewildered. At the first Federal election the electors were invited to vote by striking out the names of the candidates for whom they did not desire to vote. At the next election they were told that they must put a cross against the name of the candidate they preferred, and now they are told that they are to put a figure against the name of each candidate to indicate the order of their preference. There are thousands of persons who, with a view to protect their own privileges, and with other objects in view, will fail to indicate the order of their preference, and the conditions under which the polling is carried on will be rendered more irritating than ever. The more trouble that is involved so far as the electors are concerned, the smaller our polls will become, whereas it should be our endeavour to make our arrangements for recording votes as simple as possible. We should also aim at announcing the results of the elections without undue delay. I do not, therefore, believe in the adoption of complicated systems of voting. The Minister of Home Affairs tells us that the proposed new system cannot be applied to the Senate, but I contend that there is more reason why it should be applied to the Senate elections than to those for the return of members to this House. In New South Wales, there will be at least fifteen candidates for three vacancies in the Senate, and electors should, in that case, if in any, have an opportunity to express their preference. Under the present system, they have either to cast a block vote for those who are nominated by the party to which they belong, or have to select one or two men whom they like, and others whom they do not like.

Mr. PAGE.—They should not be called upon to vote for men whom they do not like.

Mr. WILKS.—I am sure that the honorable member would not care to go back to the three-cornered constituency plan that existed in England many years ago.

Mr. PAGE.—I believe in plumping.

Mr. WILKS.—I do not, because I consider it to be the most undemocratic system of voting.

Mr. PAGE.—Why should an elector be compelled to vote for a man whom he does not like or want as a representative?

Mr. WILKS.—A man should vote for principles and not upon personal grounds. The honorable member for Maranoa is not known all over Queensland. People know his name, however, and they vote for him as a representative of the party to which he belongs. It is the same in New South Wales. I do not pretend that Senator Neild, who had 189,000 votes recorded in his favour, at the last Federal election, obtained that very large record on the strength of his own personality and his own merits. He was on the party ticket, and it was the power of the party that secured him such large support. I have no doubt that similar results will be brought about in Victoria if the newspapers arrange to support any particular group of candidates, or the Protectionist Association take a similar step. There is much more reason why we should adopt the preferential voting system in connexion with the Senate elections, because in that case it would have a distinct tendency towards the destruction of minority rule. If the electors are to express their preference, it should be made compulsory for them to do so. I believe that the Government have introduced this measure for the protection of their own political lives, and I blame them for thinking that we are such fools as not to see through their manœuvre. They are struggling for their political existence.

Mr. THOMAS.—Why shouldn't they?

Mr. JOSEPH COOK.—Is it right to tamper with the electoral machinery in order to serve political ends?

Mr. THOMAS.—I have never known a political party—

Mr. SPEAKER.—Order! I must ask honorable members not to carry on conversations across the Chamber. I have had frequent occasions to call attention to the transgressions of honorable members in that respect.

Mr. WILKS.—As I have said, the eyes of the Government are attracted to the nine seats in Victoria which would be affected by the adoption of the proposed new system.

Mr. GROOM.—And to the twenty-seven seats in New South Wales, too.

Mr. WILKS.—I have shown that none of the seats in that State would be affected, but that the measure would be effective mainly in Victoria. If the Government would only admit that their object was as I have indicated, we could more readily understand the change of front on the part of their principal press supporter, which, upon a former occasion, whipped with scorpions a much better proposal. I have endeavoured to show that the new system would play into the hands of well organised political bodies, and although I hope to see the day when the polls at election time will be larger than at present, and when majority rule will obtain, I cannot support the measure now before us. I have no desire, as has been suggested, to sand-bag the Bill, but I have given my reasons, which, I think, are sufficiently cogent, for desiring that it should be set aside, and that a thoroughly scientific and up-to-date proposal should be submitted next session.

Mr. GLYNN (Angas) [9.0].—The chief force of the amendment proposed by the honorable member for Dalley appears to lie in paragraph 1 of his proposal. Personally, I am never much impressed by a series of amendments upon the motion for the second reading of a Bill, because they introduce so many matters which may lead to discussion, and thus induce honorable members to be led away from the consideration of the main question. There is, however, some force in paragraph 1 of the amendment, because it is an extraordinary circumstance that, although we passed an Electoral Act in 1905, when the question of the amendment of our electoral law was raised on a somewhat elaborate scale, not a word was then said regarding the imperfect working of the present system. That was less than a year ago. At that time, we passed a fairly comprehensive Electoral Act, the scope of which was almost as great as the principal Act itself, but not a single word was uttered concerning the necessity for an amendment of the law in the direction which is now indicated, and no hint was given that the single electorate system was working so

badly that it was deemed necessary to apply a corrective to its acknowledged evils. So far as one can say so without a breach of the respect due to our statutory laws, I certainly think that that system is unsatisfactory. Under our Constitution, we are required to undertake a periodical re-arrangement of our electoral districts. To provide for the shifting of population, we are required to have a shuffling of the constituencies, which, according to one of the reports presented to the United States Senate, "reduces electorates to a mere fortuitous concourse of atoms." We cannot overcome that difficulty, because it is one of the results of that section of our Constitution which provides for a periodic re-apportionment of political representation as population changes. But the other evil, that attaching to the single electorate members, can be overcome. It is as a corrective of that evil that this Bill has been introduced. That it would work all right, I have no doubt whatever. In Germany, and also in Sweden, the same system was introduced, and, notwithstanding the vaticinations that it would break down, it has worked excellently. It has also been tried in Tasmania, where, so far as my reading goes, it was very popular. Why it has not been continued I cannot explain; only recently I have heard representatives of Tasmania speak well of it. I read the results of two elections which were held in that State under the contingent-voting system, and I know that they were favorable to it. There were very few informal votes cast—in fact, I do not think that the percentage of such votes was greater than that cast under our existing system.

Mr. STORRER.—It was less.

Mr. GLYNN.—I think that the honorable member is correct. Moreover, the result of the elections was quickly known. In Belgium the elector is allowed to make use of a pre-arranged system of preference; the system works excellently there, and it has produced a fair approximation to a proper proportion between the number of representatives returned to Parliament and the state of parties in the country—a far greater approximation to that ideal than had ever been obtained in Belgium, and which we all desire to achieve. Though the scrutiny of the votes runs into tremendous numbers, the work has been done expeditiously. In France, the Chamber of Deputies has asked that the system

of proportional representation which was in vogue in Belgium shall be adopted.

Mr. WILKS.—That is not the system which is contained in the Bill under consideration.

Mr. GLYNN.—I understand that. If the honorable member will be patient, I shall have a few words to say against the Bill presently. The theory that the system of preferential voting would break down in practice has not been supported by experience. What the Government propose is merely a corrective to the acknowledged evils of the single member system. The true cure, however, is to be found in the abolition of that system, and the adoption of a system of proportional representation. My objection to this Bill is that at the end of the session, and when we are within two months of a general election, we ought not to introduce a new method of voting without even proceeding upon radical lines—without doing more than patching up a bad system. Undoubtedly the adoption of the system outlined in this Bill would lead to confusion in the Electoral Department. It would also to some extent confuse the electors, who are no more the embodiment of human wisdom than are members of Parliament. The single member system is a bad one, because to a large extent the result of an election is left to chance, inasmuch as it is dependent upon the apportionment of parties throughout the electoral districts, and upon the cohesion of parties within those districts. It is possible for parties to be so distributed throughout the State that there may be a very small majority of a particular party in a majority or all of the districts. We may thus achieve one of the most vicious ends at which we could aim, namely, pure majority representation. So far as honorable members aim at that result, they are aiming at the very opposite of a democracy. Democratic government does not consist in the representation only of a majority, but in the representation of parties in accordance with their strength. It does seek, however, to give effect to majority rule after the voice of all fairly large parties has been heard. It is a prostitution of the ideal of democratic government to say that it must secure absolute majority rule in every constituency throughout the Commonwealth. In order to get rid of the possibility of minority rule, outside bodies—and I am not speaking of one political party only—are obliged to select candidates to represent them. What is the

result? Undoubtedly the effect is to narrow political life, and to bring the expression of political opinion from the glare of publicity, where men are checked by opinions not altogether assumed for party purposes, to small committees or parties, these committees to a certain extent being worked, perhaps, by still smaller committees. The biggest electorates in America are ruled by small committees, which select the candidates to be nominated. In many cases the final nomination depends upon the "boss" of these committees. The result is a parody of representative government.

Mr. RONALD.—Government by committee.

Mr. GLYNN.—Exactly. That is what we are coming to under the caucus system; and I am not using that term in the restrictive sense in which it is usually applied to the Labour Party. Under it men are compelled to degrade their moral fibre, and to kow-tow to small committees, in order to secure the privilege of appearing upon the hustings with some prospect of success. That is one of the acknowledged evils of the single member system. The indirect result is to compel men to do that class of political touting which, even in the case of Ministries, is too often successful, in order to obtain permission to state their honest convictions upon the public platforms of the country. That is the position which obtains in America. In a report which was presented to the American Senate upon the working of the single member system, it is declared that men who were not willing to sacrifice their own judgment and conscience to the behest of party, and to become the servile echo of those who are their inferiors in knowledge, do not allow their names to be submitted as candidates for Congress or the Legislature, as it is certain that they would be defeated. John Stuart Mill puts the true ideal thus—

In a really equal democracy every and any section would be represented not disproportionately, but proportionally.

That result is to be secured, not by a Bill of this character—

Mr. WILKS.—John Stuart Mill wished to change the whole character of Parliament.

Mr. GLYNN.—He desired to introduce the system of proportional representation as it was advocated by Leonard Courtney and by various parties in Australia, and which was so clearly expounded by a woman

of very great brains and patriotism in South Australia—I refer to Miss Spence. When we find men like Mr. Henry Fawcett strongly advocating it, and talking of the fetish of majority rule as being diametrically opposed to the first principle of democracy, which is representation in proportion to numbers, we ought to feel called upon to fairly examine the merits of that system. I may add that in America there was one man who attempted to break down this caucus system—a man for whose memory we should entertain the greatest respect, because he was an individual of great ability and splendid patriotic instinct—I refer to the late Henry George. He stood for the Presidency of the United States as an independent candidate, who did not seek the support of any political party or caucus, and he polled a very large number of votes. A man of his popularity and great intellectual fibre, notwithstanding the splendid loyalty of his following, was unable to obtain the support of more than a fairly large minority of the electors. This shows how hopeless is the task of a man of independence who endeavours to break down the effect of the one-member system, and that of the caucus. The last election in Great Britain afforded conclusive evidence of the fact that the one-member system works badly. I remember reading two articles in the *Times*—one of which I noted, and which I have looked up this afternoon—on the question of electoral methods. In one of these articles the *Times* reviewed the morality of the system of canvassing, and dealt with the necessity of placing a check on the evils arising from the working of the one-member system. It also dealt with the question of the second ballot and transfer vote, proposals for which are now embodied in this Bill. The point I wish to make is that the solution of the difficulty lies not in either of these systems, but in the introduction of a system of proportional representation. On the 27th of January last the *Times* wrote—

The difficulty might, however, apparently be overcome by what is known as "the transferable" vote. . . . Probably if either were presented to Parliament it would be confronted by a formidable rival in the system of proportional representation which was advocated by John Stuart Mill, and, in a revised and simplified form, has long had a sturdy champion in Mr. Leonard Courtney.

If I remember rightly, Mr. Leonard Courtney, in 1884 or 1885, when the Gladstone

Electoral Representation Bill and the Redistribution Bill were under discussion, gave a very fine exposition of the principle of this system. Gladstone then threw cold water on it, but his objection was levelled at the fact that it was an invasion of a long-standing system which had, in effect, grown round the hearts and prejudices of the people of England. The *Times* points out that at the last election, under the one-member system, there were 529 contests in counties and boroughs, and that the Ministerialists polled 2,818,878 votes, and secured the return of 396 members. The Unionists, on the other hand, polled 2,233,685, and secured a representation of only 129 members. In other words, the Liberals represent an average of 7,118 electors per member, whereas the Opposition represent an average of 17,315 per member. In Wales the Opposition polled four-ninths of the electors. They secured a total of 52,637 votes, but did not get a seat; whereas 90,000 Ministerialists won thirty seats. In Manchester ten Ministerialists were returned by 51,000 votes, as against 34,000 polled in opposition to them, whilst in Birmingham only eight Oppositionists were returned by 51,000 votes to 23,000 votes. This shows that, under the one-member system, we do not obtain ideal results. It is said by some that the irregularities in one district will counterbalance those of another; but that is not a proper system. Under it, large minorities are silenced in the one district, and their only consolation is that in another district a minority, holding the same views as they do, have secured representation. That is not such a result as justifies the continuance of the one-member system. My objections to this Bill are that it has been introduced when the general election is very near; that it is simply a proposal to patch up a bad system; that it evades a question which ought to be thoroughly threshed out in this House; and that we should have an amendment of the electoral law in a different direction. We should have an amendment providing for a system of proportional representation on the lines—subject, of course, to some changes to make it applicable to local conditions—that have been adopted in Belgium, the Swiss cantons, and also in Tasmania, where it seems to have been successful. For these reasons, if a division be taken, I shall vote against the second reading of the Bill, although I cannot allege as

one of the grounds of my opposition that I think that the proposed machinery would not work effectually. I do not think that the actual calculations would not be properly made by the returning officers, or that there is a possibility of a great number of informal votes being cast. The experience of Tasmania shows that the number of informal votes would not be likely to be large, and we have no reason to assume that the remaining electors of the Commonwealth would display less intelligence.

Mr. HUTCHISON (Hindmarsh) [9.21].—The honorable and learned member for Angas has delivered a speech more in condemnation of the one-member system than of the Bill itself. What he contends for is not majority representation, as, it is said, would be secured by this Bill, but for minority representation.

Mr. GLYNN.—No; I contend for both.

Mr. HUTCHISON.—The proportional system of voting means the representation of minorities—it does not mean that minority representation shall prevail. I believe just as firmly as do the Government in majority representation; but I hold that we shall not secure it by passing this Bill. I wish to test the feeling of the House by moving an amendment. I should be very pleased if I were sent here as the representative of the majority of the electors in my constituency, and I think it is time we took action to bring about such a desirable state of affairs in relation to all the electorates of the Commonwealth. For reasons that I shall briefly give, I am opposed to the Bill; but should the second reading be agreed to I shall move in Committee the insertion of a new clause, to the effect that any elector who fails without just cause or excuse to vote at an election shall be fined 5s. It is unnecessary to provide a severe penalty; but I do think that it is the duty of every citizen to take an interest in the candidature of those who, if successful, will have to make the laws under which he lives. A very small penalty would be sufficient to insure a large vote at every election.

Mr. PAGE.—Why spring the amendment on the House at this stage?

Mr. HUTCHISON. — Because I wish honorable members to have an opportunity to consider its effect. I have just as strong an objection to important amendments being suddenly proposed in Committee as I have to the introduction of a measure of this kind in the last weeks of

the session. It has been suggested by the Minister of Home Affairs that the Bill was not introduced because of party considerations. Whom is it intended to assist? So far as I can see, it would probably have the effect of causing the rejection of several labour candidates.

Mr. GROOM.—It is intended to assist the electors.

Mr. HUTCHISON.—I was very much amused by the illustrations of the working of the system which were given last week by the *Age* and the *Argus*. In no illustration was it shown that a labour candidate could succeed.

Mr. GROOM.—Prophecies are not always accurate.

Mr. PAGE.—But in this case the wish was father to the thought.

Mr. HUTCHISON.—Quite so, and I think I shall be able to show that the illustrations given by those newspapers correctly indicate what is likely to be the effect of the system. The *Age* stated that there would be a possibility of a tie in some cases, and that the candidates in that event would draw lots; but I notice that, even in such circumstances, the labour candidates, in the illustration, lost. To my mind, this shows precisely how the system would work. What would be the result of an election in which we had a labour candidate, a liberal-protectionist candidate, and a free-trade candidate? Under the contingent voting system, the supporters of the protectionist candidate would vote anti-Socialism, and would exercise their second choice in favour of the free-trade candidate. Although the labour candidate might be leading on the first count, and his supporters might have exercised their contingent vote, the supporters of the other two would not give a contingent vote for him, so that, if he failed to secure an absolute majority on the first count, he would necessarily be superseded by one of the other candidates. Is it reasonable to assume that if the system were optional I should cast my second vote for one of the other candidates in the circumstances to which I have referred? I do not wish to record a vote for any one with whose views I am not in sympathy. If the system is to be adopted, it certainly must be compulsory in order to be effective. In Queensland it has not been compulsory. The Minister said that in only five cases during the last fourteen years had it affected any election. I wish that the honor-

able and learned gentleman had mentioned them specifically, for I was under the impression that it had affected only two electorates.

Mr. GROOM.—I have the official statement that it has affected five.

Mr. HUTCHISON.—It would be most interesting to look up the cases in question, and to ascertain the effect of the voting. The illustration which the Minister drew from the Queensland system was not a happy one. There is another point worthy of consideration. Under the Bill contingent voting is not to be compulsory, and I should like to know what will be the position if in any electorate very few contingent votes are polled, and no candidate secures an absolute majority?

Mr. GROOM. — Even then the relative majority in the end will count.

Mr. HUTCHISON.—We are approaching this proposed vital change in our electoral system far too hurriedly. It is, moreover, in my opinion, a mistake to make it partial by applying it to the elections for one House only. We should, above all things, try to secure uniformity in our electoral methods, and apply the same system to the election of the two Houses. The statements which have been made as to what would happen if the provisions of the Bill were in force are very misleading. In today's *Age* an attempt is made to show that a Labour representative would have been elected for Corangamite had the proposed system been in force at the time of the last election. But its illustration is, however, incomplete. There were four candidates for Corangamite. The successful candidate, who now represents the electorate here, was returned because of the support of 4,600 votes. The next candidate, Dunne, who, the *Age* says, was a Labour candidate—

Mr. HUME COOK.—He was not.

Mr. HUTCHISON.—I will assume, for the purposes of my argument, that the *Age* is right for once. Dunne polled 4,036 votes, Woods, the third candidate, who was said to be running on practically the same ticket as Dunne, 1,484 votes; and Wynne, the fourth candidate, 2,968 votes. The *Age* comes to the conclusion that Dunne would have been returned under the preferential system, because Woods' votes would have been added to his. Nothing, however, is said of Wynne's votes, which would probably have gone to the candidate at the head of the poll, giving him a large

majority over the combined second and third votes. In my opinion, the measure does not provide for majority representation, though it is possible to secure it, or something nearly approaching it, by the adoption of my amendment, if the Ministry are in earnest in regard to this matter, and will apply the same system to the elections for both the Senate and the House of Representatives. I cannot support the amendment of the honorable member for Dalley, because it affirms that it is not expedient to proceed further with the Bill during the present session, while, in my opinion, it is not expedient to proceed with it at all. I wish to see a straight-out vote taken on the proposal of the Government. If I were a Ministerialist I should support the Bill, because that party has everything to gain from it, while the Labour Party has everything to lose where a Government and a Labour candidate are running for the same constituency. But, while I do not blame the Ministry for doing what they can in the interests of their party, I should blame the Labour Party if they did not do all they could in their own interests. Before making up my mind definitely as to my action regarding the second and third reading, I shall listen further to the discussion which may be expected to take place on the motion.

Mr. LONSDALE (New England) [9.36]. I am opposed to the Bill. I cannot conceive why, if Ministers think that its provisions should be embodied in our electoral law, they did not make an attempt to embody them when an amending Bill was before us last session. Whatever the motive, it seems to me that the measure has been introduced as an afterthought. The Prime Minister, the other day, said, very unfairly, that the leader of the Opposition, now that he has been given an opportunity to provide for majority rule, runs away from it. That statement was not correct, to say the least of it. The right honorable gentleman has been travelling all over Australia, not to advocate the preferential system of voting now proposed, but to urge the electors to go to the polls of their own free will, and vote for the candidates whom they think will best represent them. Moreover, the Bill will not do what it professes to do. It by no means insures majority voting, and, if passed as it stands, most of the voting will be similar to that which takes place now. If the measure becomes law as it stands, I shall ask those

who will vote for me to place the figure 1 against my name, and not to use their remaining preferential votes, and no doubt other candidates will give the same instruction. Therefore, the Prime Minister was altogether unfair in the reference which he made to the attitude of the leader of the Opposition. Even if the exercise of the preferential vote were made compulsory, the Bill would not insure majority representation. What would take place would be that the preferential votes would be cast, not in the real order of preference, but for the men whom the electors thought had the least chance of success, and we should not encourage that kind of voting. Under the compulsory contingent voting system, the friends of candidates will try to get the electors to place the number 1 opposite the name of the man whom they support, and to allot their remaining preference to the weakest men, and the result may be, in some cases, the return, not of the man whom the majority think best fitted to represent them, but of the weakest man, whom probably a majority of the electors would not like to see elected. That sort of thing has occurred already. When voters are not allowed to plump, they sometimes vote first for the candidate whom they particularly wish to elect, and give their other votes to candidates whom they think have the least chance of success. While the Prime Minister, when speaking at Maryborough, denounced the Opposition for having wasted time, the charge is one which might justly be brought against the Government. I was willing to destroy the Bounties Bill because I do not believe in the bounty system, and therefore cannot rightly be accused of wasting time in the action which I took to secure my object; but the Government are deliberately wasting time in introducing a Bill which cannot effect its avowed purpose. Of course the Government may try to get the Opposition to amend the measure so as to make it serviceable. The honorable member for Dalley says that he will vote for the preferential system if it is made compulsory. I, however, am opposed to the Bill, lock, stock, and barrel. There is a good deal to be said for proportionate voting, but it is useless to think of radically altering our electoral system at this stage in the life of the Parliament. Proportionate voting is, in my opinion, theoretically sound. I do not know why the Tasmanian system failed; but if the proportionate system can

be carried into effect, it should have our support, as being likely to give every elector his proper share in determining the legislation of the country. The Minister of Home Affairs must know that the Bill will not achieve the object which he professes to have in view, namely, majority rule. It will be an absolute failure. We have heard some reference made to the fact that in Victoria the fewest number of voters returned the largest number of candidates to the Senate at the last election. If that be so, the evil which it is sought to cure exists in a still greater degree in connexion with the Senate elections than with those of the House of Representatives. If preferential voting is to be permitted in connexion with the election of members to this Chamber, the same system should be followed in connexion with the Senate elections. If it is right in one case, it is right in the other. Ministers say that they wish to bring about majority rule, but they do not propose to apply to both Houses the system of voting which is expected to achieve that end. I realize that it would be difficult to educate the electors to the point of enabling them to understand the preferential voting system by the time that the general elections come on. If preferential voting were made compulsory, a large number of informal votes would be recorded. If it is not intended to make it compulsory for the electors to express their preference, the present system should not be interfered with. I shall vote for the amendment, and, if that is defeated, I shall oppose the second reading of the Bill.

Mr. PAGE (Maranoa) [9.59].—I intend to vote against the amendment, because it is intended to kill the Bill. At the same time, I am absolutely opposed to the contingent voting system. Some fourteen or fifteen years ago that system was introduced into Queensland by the Honorable A. H. Barlow, the present Minister of Education in that State. The object was to "dish" the Labour Party; but the Act failed to achieve its purpose. The Labour Party in Queensland urged the voters not to have anything to do with the system, and that advice has been religiously followed. I see no reason why the ballot should be complicated in the manner proposed. It seems to me that the Bill is intended to add to the bewilderment of the electors. The contingent voting system was used in Queensland for the first time in 1893. The Honorable

A. H. Barlow, who was then a member of the McIlwraith Ministry, urged his supporters to avail themselves of the preferential vote, but they did not do so. In one or two instances the new system operated to bring about the defeat of the Government candidate. The honorable member for Oxley, who for the first time submitted himself for election in South Brisbane, was, through the operation of the contingent voting system, defeated by a labour candidate. Therefore, instead of operating to the disadvantage of the Labour Party, as it was intended to do, the system, in that particular case, conferred an advantage upon them. I believe in majority rule in connexion with this Parliament and everywhere else. I see no reason why we should not follow the example of France, and have a second ballot. The system adopted in that country appears to me to be the simplest in the world.

Mr. LIDDELL.—The proportion of votes recorded at the second ballot is generally very small.

Mr. GROOM.—All the candidates submit themselves at the second ballot.

Mr. PAGE.—I do not see anything in that to object to. Under the contingent voting system, it would be possible for one man who registered 500 votes out of 1,000 to be defeated upon the second or third count by one of three other candidates who had polled only 500 first votes between them. Therefore, the will of the majority would not be asserted. The man who polled 500 primary votes might, upon the third or fourth count, be rejected because no contingent votes were recorded in his favour. That has happened in some cases.

Mr. JOHNSON.—That would practically establish minority rule.

Mr. PAGE.—Exactly. The honorable member for Hindmarsh put the matter very clearly. The *Age* worked the whole thing out very nicely, but their calculations reminded me of the Irishman who insisted that he was still 5s. short in his wages, although he was assured that he had received a rise in his salary. I notice that, according to the *Age* calculations, the Labour Party are defeated every time. That, in itself, would have been sufficient to show me that the whole scheme was wrong. I will put another case. Suppose that in my electorate there were three candidates—myself, a free-trader, and a protectionist. I should certainly poll every labour vote,

but I should not receive the support of any boodler or squatter in the electorate.

Mr. JOSEPH COOK.—The honorable member is a squatter himself.

Mr. PAGE.—That does not matter. I am a Labour man first. I believe in the masses—not in the classes. I have had the good luck to rise a little bit out of the ruck, but I have not forgotten, and I never shall forget the time when I went through the mill. The electors know very well that, whilst I am representing them, I shall do the best I can for them, and that no one will be able to accuse me of giving a class vote. I have received letters from my constituents conveying thanks for the votes I have given in various matters, and expressing the opinion that I am looking after the interests of the constituency, and not studying those of any particular class. If a protectionist and a free-trader were to contest my electorate against me, the free-traders would give their second preferences to the protectionist candidate, and the protectionists would give their second preferences to the free-trader, in order to defeat the labour man.

Mr. FULLER.—If there were a combination of that kind at the next elections the honorable member and his party would have a very bad time.

Mr. PAGE.—I do not know about that. The honorable members for Macquarie, Parramatta, Lang, and Hunter, when they attend tea-and-bun fights, and address the women electors, urge them that, whatever they do, whether they are free-traders or protectionists, to vote against the Labour Party. They tell them that it is the Labour Party of whom they have to be afraid. I do not blame them for that, because I tell the electors to do their best to down the George Reid faction and the Deakin faction, and to vote for the labour man every time.

Mr. LIDDELL.—Then why is the honorable member supporting the present Government?

Mr. PAGE.—Because I consider that it is a better one than could be formed by members of the Opposition.

Mr. JOSEPH COOK.—The reason the honorable member supports the present Government is that he is obliged to do so.

Mr. PAGE.—That is not correct.

Mr. JOSEPH COOK.—In my opinion, the honorable member would not support the

present Government for a month if he were not obliged to do so.

Mr. PAGE.—Never mind what the honorable member's opinion may be—he is not right. So far as my fiscal views are concerned, I candidly say that I should prefer to see the right honorable member for East Sydney in the position of Prime Minister. My opinions, so far as that is concerned, have not changed in the slightest degree, but under present conditions, I must support the present Government. Members of the Opposition are travelling about the country fighting us as hard as they can. They are after our blood. They talk about cutting the claws of the tiger. I am sure that the claws of the tiger would be cut, if the contingent vote were introduced.

Mr. JOSEPH COOK.—It is the octopus, and not the tiger that we have to deal with.

Mr. PAGE.—I do not know what the honorable member means. The only octopus of which I have any knowledge is the anti-Socialistic party, and if they desire the system of contingent voting, why do they not declare in a straightforward manner, "We want to rule by means of the majority."

Mr. JOHNSON.—The Bill does not provide for that.

Mr. PAGE.—The Government affirm that it will secure majority rule, and honorable members, I suppose, must trust the Government. At every meeting which I have heard honorable members opposite address, they have clamoured for majority rule. Personally, I am of opinion that, instead of the Bill safeguarding majority rule, it would have the effect of complicating the conduct of elections. If it would benefit the electors of Australia, I would support it, but my experience as an electioneering agent—and I have done a little bit of work in that capacity in my time—leads me to believe that it would not. I engineered things well enough to secure a seat in this House—

Mr. GROOM.—The honorable member was returned upon his merits.

Mr. PAGE.—No; I was returned by the aid of a powerful organization which was behind me. That organization has not been a bit sorry for my return.

Mr. LIDDELL.—It was the honorable member's oratorical powers which secured his election.

Mr. PAGE.—No; it was my medical skill. I only hope that the honorable member's medical skill will secure his re-election.

for the Hunter. Indeed, I should like to see all the present members of the House re-elected. The main reason why I cannot support the Bill is that it would have the effect of complicating, instead of simplifying, the conduct of elections.

Mr. LIDDELL (Hunter) [10.3].—I must confess that I am opposed to this Bill, and I cannot understand why it has been sprung upon us at the eleventh hour of the session. No mention was made of it in the Governor-General's speech at the opening of Parliament, but with the general election close at hand, it has been suddenly launched upon the House. In this measure, I recognise the malign influence of the press. With the advent of Federation, it was hoped that the power of the press would to a certain extent be curtailed. It has been curtailed, but there is still strong evidence that this Parliament is dominated to a large extent by the Melbourne press. I firmly believe that the measure under consideration has been brought forward as the result of the influence exercised by the *Age* newspaper. I am also of opinion that the average elector will experience some difficulty in comprehending the contingent-voting system which is proposed by the Government. I confess that I had great difficulty in following the explanation of that system, which has been given by the Minister. I further maintain that it would be almost impossible for the electoral officers to give effect to the provisions of the Bill on such extremely short notice. At the last general election, I polled 6,300 votes, my protectionist opponent, 6,100 votes; and the labour candidate, 900 votes. There were also 113 informal votes registered. Consequently, I was not returned by a majority of the electors, but yet I flatter myself that I represent the opinions of the people throughout that electorate.

Sir WILLIAM LYNE.—I am satisfied that the honorable member does not.

Mr. LIDDELL.—I am certain that I do, and, although my constituency has been horribly mutilated, I still hope—as does the honorable member for Maranoa—that I shall continue to represent my constituents. I am not in favour of compulsory voting, and I do not believe that under that system we should be any better off than we are to-day. After all, no arrangement that we can make will absolutely insure the return of parliamentary representatives by the votes of a majority. I was

not aware until the honorable member for Maranoa spoke that it was possible to “dish” the Labour Party in Queensland, but now that I know that it is possible I feel more assured than ever that the Bill has been brought forward by the Ministry for the purpose of bolstering up their own cause. I intend to vote against it.

Mr. STORRER (Bass)-[10.8].—Many charges have been levelled against the Government in regard to the motive which has actuated them in bringing forward this Bill, and I should like to explain my reasons for supporting it. For many years I have been in favour of the preferential system of voting, or of the Hare system, which was formerly in operation in Tasmania. The Government are evidently gaining wisdom by experience, and they have introduced this measure to insure that honorable members shall represent a majority of the electors who choose to exercise the franchise.

Mr. JOHNSON.—Does the Bill provide for the same system of voting as that which operated in Tasmania?

Mr. STORRER.—Not exactly; but it gives effect to the same principle. I do not think that the Bill, if passed, would benefit one political party more than it would another, but it would certainly afford the majority of the electors an opportunity to indicate the order of their preference in respect of the various candidates seeking their suffrages.

Mr. THOMAS.—Does the honorable member say that the same system should apply to elections for the Senate?

Mr. STORRER.—I do. I certainly think that the representation of Tasmania in the Senate during the first Parliament was the best that it was possible to secure. The first election, it will be remembered, was conducted under the Hare system, and as a result the protectionists secured the return of their representative, the free-traders elected their candidate, the Labour Party secured the return of one of its members, the commercial community elected another, and those who took a great interest in defence matters were also represented.

Mr. JOHNSON.—Why was the Hare system abandoned in Tasmania?

Mr. STORRER.—I cannot tell. I know that a meeting was called at Launceston, and that, after a discussion extending over two hours, a resolution condemning that system was rejected. Thereupon

I submitted a motion approving of the Hare system, and it was carried by an overwhelming majority.

Mr. WILKS.—The State elections of Tasmania are not conducted under that system?

Mr. STORRER.—No. I think that is because a number of members of the Legislative Council, who are very old, and who do not take the trouble to study it, are opposed to it.

Mr. POYNTER.—The honorable member does not call the system which is embodied in the Bill the Hare system?

Mr. STORRER.—No. If the Bill reaches Committee we can make it apply to the elections for the Senate. Personally, I intend to support the measure.

Mr. JOHNSON (Lang) [10.14].—The first thing that strikes me in connexion with this Bill is that it bears a remarkable resemblance to other measures which have been introduced by the Government, in that it professes to do something which its provisions are designed to defeat. It is ostensibly brought forward for the purpose of establishing the principle of majority rule. But when we come to examine its provisions we can easily see that it will fail to accomplish that object. The result of passing it will not be to secure majority rule, but in certain contingencies to effectively insure minority rule. To that extent it is a denial of that broad democratic principle in which so many honorable members believe—the principle of majority representation. The honorable member for Maranoa made an assertion which was tantamount to an accusation that the Opposition is opposed to this Bill because it provides for the giving of effect to that principle. In the immediately succeeding sentence he proceeded to show that it does not provide for anything of the kind.

Mr. PAGE.—In my opinion, it does not.

Mr. JOHNSON.—It is said that its object is to accomplish majority representation, but it will have the opposite effect. That must be the view of any one who has analyzed the Bill. It bears on its face evidence of being simply a Victorian measure. As usual with all the Bills introduced by the present Government—

Mr. GROOM.—That statement is not correct in regard to this or any measure that the Government have introduced.

Mr. JOHNSON.—I repeat that, like all other Bills introduced by the Government,

it is purely a Victorian measure. It is to give Victoria an advantage that will not be enjoyed by the other States.

Mr. TUDOR.—What ground has the honorable member for such a statement?

Mr. JOSEPH COOK.—I do not think that it is a Victorian Bill. The honorable member should say that it is an Age Bill.

Mr. JOHNSON.—I was about to say that it is a Victorian Bill, engineered and prompted by the Age. If the Government were really anxious to so amend our electoral laws as to give effect to the democratic principle of majority rule, why did they not indicate in the Governor-General's speech their intention to do so? If the omission from that speech of any reference to such an intention was accidental, why did they not avail themselves of the opportunity to bring in these proposals when the amending Electoral Bill was under consideration? At that time, however, no thing was said by them as to the necessity for altering our voting system in this direction. We have recently seen in the Age articles—

Mr. WILKS.—Articles written by Professor Nanson, whose scheme it condemned a few years ago.

Mr. JOHNSON. — I believe that the articles to which I refer were prompted, if not written, by Professor Nanson, and that the germ of the present idea is traceable to the Age office. The Age is responsible for much of the mischievous legislation that has been introduced by the Government. It seems to me that it is not the Government which frames the Bills submitted to us, but that they have their birth in a certain newspaper office in Collins-street. A most enthusiastic effort is invariably made by the Government to give effect to legislation suggested from that quarter. These proposals, instigated from the Age office, and of an intensely mischievous character, are an insult to the House. Few of the measures introduced by the Government are as mild as is the one now before us; but I contend that even this Bill will be mischievous in its effect. As showing that it is merely an Age measure, prompted by the belief that it will give Victoria an advantage which she would not enjoy under the present system, I would point out that Victoria is at present the great shocking example of minority representation. The returns show that at the last general election seventeen seats were uncontested

and that of the remaining fifty-eight constituencies forty-five returned representatives by majority votes. Only thirteen out of the fifty-eight returned representatives on minority votes. Of these thirteen, nine were in Victoria, two in Queensland, none in New South Wales, two in Tasmania, none in South Australia or Western Australia. It will thus be seen that Victoria embraces the largest number of constituencies that have returned representatives on minority votes. The polling in these constituencies was as follows:—

		For Successful Candidate.	For Unsuccessful Candidates.
VICTORIA.			
Bendigo	...	6,020	8,354
Bourke	...	8,657	11,774
Corangamite	...	4,600	8,488
Corio	...	6,951	8,332
Flinders	...	5,194	9,130
Grampians	...	3,836	6,742
South Melbourne	...	9,057	9,948
Wannon	...	5,323	6,929
Wimmera	...	3,263	5,105
QUEENSLAND.			
Brisbane	...	8,019	9,120
Capricornia	...	6,065	6,160
TASMANIA.			
Denison	...	3,661	4,694
Franklin	...	1,986	3,365

These figures show that the number of electorates which returned representatives on minority votes form only a small proportion of the whole; the overwhelming majority of the constituencies returned representatives by majority votes. In these circumstances, the question of urgency has no weight, and may be at once dismissed. We are entitled to inquire what is the reason for the sudden anxiety displayed by the Government to give effect to a principle which was certainly just as urgent six years ago as it is to-day. This Bill has been brought forward on the eve of a general election, when there is no time to give the constituencies reasonable notice of the contemplated change, and certainly insufficient time to educate the electors as to the operation of the new system. There is no justification for the charge that the Opposition are seeking to prevent the Government from bringing about legislation by majority rule. The Prime Minister and his colleagues know that there is not the slightest foundation for such an accusation. I do not know that I should be in order in describing such an attack as a very cowardly one, but honorable men cer-

Mr. Johnson.

tainly cannot consider it to be justifiable even from the stand-point of political tactics. On referring to the speech recently delivered by the Prime Minister at Maryborough, I find that he is reported to have said—

The leader of the Opposition desires majority rule.

That statement is perfectly correct. The leader of the Opposition, in common with every member on this side of the House, certainly desires majority rule. I do not claim that as a virtue exclusively possessed by the Opposition; I am willing to concede that there are honorable members on all sides who are as anxious as we are to secure it. The Prime Minister went on to say—

From Cape York all over Australia that gentleman has bewailed the fact that although the electors could go to the poll, the man elected might not represent the majority of the people. He has demanded a scheme that would remedy this, and at one time even commended the scheme which we submit now.

I have no recollection of having either read or heard of a statement by the leader of the Opposition that he desires such a system; I have not read of his making such a statement during his Queensland or any other tour; but I have heard him declare that he desires that the people shall record their votes. He has bewailed the fact that there is so much apathy among the public, and has pointed out that those who blame Parliament for its legislation are themselves responsible for the present state of affairs, because they have not taken the trouble to go to the poll to secure the return of candidates representing the views of the majority. He has always eulogised the organization of the Labour Party, so far as it has resulted in having the names of electors placed on the rolls and in bringing the electors to the polls, and he has pointed out to those who complain of such legislation, as is naturally to be expected in the circumstances, that if they did their duty, and recorded their votes, different results might be looked for. Those are the lines on which the leader of the Opposition has conducted his meetings, and yet the Prime Minister, with a full knowledge of the facts, deliberately conveyed to the public an incorrect idea as to his attitude. I am surprised that the honorable and learned gentleman resorted to such tactics. To continue the quotation—

There is no man who wants to run further and faster from this scheme than the same leader of

the Opposition. A characteristic performance, but one which must be driven home to the people of the country.

That statement goes beyond the bounds of decency in political warfare, because it is an absolute misrepresentation of facts of which no one is more fully aware than is the honorable and learned gentleman. The report continues—

We have put the Opposition to the test with the touchstone of a practical offer. I am prepared to say that I would be in favour of making it compulsory for every elector to indicate his preference on the voting paper, and I am prepared to extend the same system to the Senate. But, recognising the period of our session, we brought it forward in a more mild form, and leave it to the Senate to come in. Now, men that talked against minority rule till they should have been a different colour in the face, are opposed to this. And why? Because Parliament is near its close. Because there was other business to be done. Any reason but the real one—that they like minority representation, because they hope they can score more out of it than we can. That shows what you have to expect when you trust other declarations from the same men.

The Prime Minister knew that there was no justification in fact for such statements, and it is to be deplored that one in his high station should deliberately try to mislead and hoodwink the electors. In my opinion, the Bill will not do what its authors profess it is intended to do. Professor Nanson, in this morning's *Age*, says, of the contingent voting system—

For every contest will be between three parties, and in very few cases will any party run two candidates. Thus the result of the first count will show the strength of each party, say, free-traders 500, Labour 400, protectionists 300. So soon as these figures are announced the merest tyro can foresee the result of the election. When the protectionist candidate at the foot of the poll is rejected, all the protectionist votes will go to the Labour candidate, who will thereby secure election. But if the preferential vote is not used, if the safety valve is not applied to the body politic, the free-trader will be elected by a minority vote.

Then he warns the Labour Party that—

This simple example ought to open the eyes of the Labour Party to what they have to gain by the preferential vote. Can they any longer fail to see why it is that the preferential vote is so obnoxious to the free-traders?

This sudden interest in the welfare of the Labour Party is hardly calculated to deceive the members of that party, especially if the article from which I have just quoted is compared with other articles which have appeared in the *Age* on the same subject. Now, if it is assumed that the Labour

candidate polls the lowest number of votes, and the votes cast for him have to be redistributed, they should then, according to this, be allotted to the protectionist candidate. But it is as likely that the majority of those voting for the Labour candidate, irrespective of fiscal considerations, will be free-traders as that they will be protectionists, and to give their votes to a protectionist, would, therefore, be to do what they were actually opposed to. In my opinion, the illustrations are altogether worthless. But I now come to the most fatal defect in the Bill. The Government professes to be anxious to establish majority rule. Yet the Bill makes it optional on the part of the voter whether he will exercise the preferential vote or not. If there is to be any value in the system it can only arise from its compulsory use, and from uniformity in its application. If it is to be optional, a candidate would be a born ass who did not advise his supporters to plump for him, and absolutely to disregard any preference for every other candidate. On the face of it, therefore, the Bill is a fraud and a sham. In my opinion, it was never intended to be anything else. When the preferential system was tried in Queensland it did not bring about the result that its promoters desired. Something like it was also in operation in Tasmania, but as it has been abandoned there it is reasonable to suppose that it was found to be ineffective. The honorable member for Maranoa has shown that in Queensland labour candidates advised their supporters not to adopt the preferential system.

Mr. FISHER.—It was of no practical advantage there.

Mr. JOHNSON.—I have no hesitation in saying that if the Bill passes, it will merely lead to confusion. It embodies proposals which will involve two or three systems of voting at one election on the one day. In the case of voting by post, I see that provision is made whereby those who vote have to write the names of the candidates for whom they desire to vote in the order of their preference. I wish to know what is going to happen in the case of an illiterate voter, who is not able to write the name of the candidates on the paper?

Mr. GROOM.—An illiterate voter cannot vote by post at present.

Mr. JOHNSON.—If the illiterate voter is allowed to vote at the ballot-box by

making his mark, there is no equitable reason why he should be deprived of his right to exercise the vote by post if he chooses. The Bill throughout is one which will not commend itself to the good sense of honorable members. In any case, however admirable it might be, the time at our disposal is insufficient to let the public know what changes it would make in the present voting system. If it were passed it would bring about the greatest confusion, and so far from securing effective voting, would lead to quite the opposite result. For the reasons which I have given, and for others which I could adduce, except that I desire to terminate my remarks, owing to the lateness of the hour, I shall vote against the second reading, and support the amendment of the honorable member for Dalley.

Debate (on motion by Mr. TUDOR), adjourned.

ADJOURNMENT.

ORDER OF BUSINESS.

Motion (by Sir WILLIAM LYNE) proposed—

That the House do now adjourn.

Mr. JOSEPH COOK.—What business is to be taken to-morrow?

Sir WILLIAM LYNE.—I think that the first business to-morrow will be the Bounties Bill.

Mr. JOSEPH COOK.—Can that be taken to-morrow?

Mr. SPEAKER.—Yes; the motion of which notice was given to-day would, if passed, enable the Bill to be dealt with to-morrow.

Question resolved in the affirmative.

House adjourned at 10.48 p.m.

Senate.

Wednesday, 29 August, 1906.

The PRESIDENT took the chair at 2.30 p.m., and read prayers.

MAIL SERVICE TO EUROPE.

Senator MILLEN.—I desire to ask the Minister representing the Postmaster-General, without notice, if he has observed in this morning's *Argus* a cablegram from New Zealand, which affirms that Sir Joseph

Ward has stated that the High Commissioner for that Colony will be instructed to enter into negotiations in order to arrange that the steamers now being built for the Commonwealth mail service shall pass directly from Adelaide to New Zealand. I desire to know whether the honorable senator has seen the paragraph, and whether he can give the Senate any information as to its authenticity?

Senator KEATING.—I did see the paragraph this morning, and it was the first intimation I had of any such intention on the part of the New Zealand Government. If my honorable friend will give notice of a question, I shall endeavour to get the information for him.

COMMERCE ACT REGULATIONS.

Senator MULCAHY.—I desire to ask the Minister representing the Attorney-General, without notice, the following questions, which in my absence dropped from the notice-paper the other day:—

Whether the Statutory Rules under the Commerce Act laid upon the table of the Senate on 2nd August, and described as Provisional Regulations, have the force of law? Also, whether they come under the provisions of the Customs Act regarding regulations, which require Parliament to take action to disallow them if it so desires within fifteen sitting days.

Senator KEATING.—The answers to the honorable senator's questions are as follow:—

1. They have the force of law, but they do not begin to operate before the first day of October, because they so declare.

2. They are regulations made under the Commerce Act 1905, and therefore come under the provisions of section 10 of the Acts Interpretation Act 1904, which provides that they shall cease to have effect if either House of the Parliament passes a regulation of which notice has been given within fifteen sitting days.

Senator MULCAHY.—Arising out of the reply, I desire to ask the Minister of Defence whether, as Friday next will be the last day for dealing with the regulations, he will afford the Senate an opportunity to discuss them before that date?

Senator PLAYFORD.—If the honorable senator will give notice, I shall give him an opportunity.

Senator MULCAHY.—There has been a motion on the notice-paper for some weeks.

TARIFF COMMISSION'S REPORTS.

Senator HIGGS.—I desire to ask the Minister of Defence, without notice, whether he will ascertain how far the Govern-

in the brief period at their disposal before the prorogation takes place.

Senator MILLEN.—When will that be?

Senator HIGGS.—I desire to know whether the Government propose to deal with any further reports from the Tariff Commission, if received?

Senator PLAYFORD.—Of course, I shall make the inquiry at the request of the honorable senator, but it might be as well if he would give notice in the usual way, so that we may have a distinct record of the question and the answer.

GRADING OF BUTTER.

Senator MACFARLANE.—I desire to ask the Minister representing the Minister of Trade and Customs the following two questions, which were not answered yesterday when asked upon notice:—

2. Is this in accordance with the present Statutory Rules?

3. If so, will all factories of good standing be placed on the same footing?

Senator PLAYFORD.—The answers to the honorable senator's questions are as follow:—

2. It is in accordance with the Statutory Rules, provided such employes are made departmental officers for the purposes of the Act.

3. Unless there is some good reason this will be done.

SPECIAL ADJOURNMENT.

Motion (by Senator PLAYFORD) agreed to—

That the Senate, at its rising, adjourn until to-morrow at 3.30 p.m.

ADMINISTRATION OF PAPUA.

Motions (by Senator HIGGS) agreed to—

That there be laid on the table of the Senate a copy of the preliminary and the final reports of Messrs. McLachlan, Garran, and Allen concerning the Richmond case in New Guinea; also Mr. Atlee Hunt's memorandum or report regarding the same case.

That there be laid on the table of the Senate a copy of the papers in connexion with the O'Brien case in British New Guinea.

REFRESHMENT ROOM.

The PRESIDENT.—Some time ago I promised to lay upon the table of the Senate a balance-sheet in connexion with the refreshment department, but I have not been in a position to perform my promise until now. I beg to lay the document upon the table.

Motion (by Senator Sir JOSIAH SYMON) agreed to—

That the document be printed.

SECOND READING.

Motion (by Senator PLAYFORD) proposed—

That the debate on the motion for the second reading of the Supply Bill (No. 2), which was interrupted by the count-out of the Senate on Friday, the 24th August, be resumed forthwith at the point where it was interrupted.

Senator HIGGS (Queensland) [2.40].—

I think it is a matter for congratulation that the Senate has at last discovered itself. For nearly five years we have sought for a weapon by which we might punish a Government if we so desired. On various occasions we have passed resolutions concerning the conduct and attitude of different Governments towards the Senate, but never until the present time have we discovered any effective method of giving expression to our protest. Our resolutions have been passed by with a most amused remark or sarcastic reference to the powers of the Senate. We have never been able to get the Senate to take very positive action to enforce its view. I dare say that if the time should ever come when the Senate will deem it necessary to reject a Bill, not once but a second time, if the measure is important enough it will stand to its guns. But there are minor occasions on which it is necessary that it should express its opinion.

Senator PULSFORD.—On what has it expressed its opinion now?

Senator HIGGS.—The honorable senator is too well informed with regard to the discussion of matters in the Federal Parliament not to know what was the expression of opinion, and the reason for it. There are times when both the present Opposition—

Senator MILLEN.—And the future one?

Senator HIGGS.—The future one, if the honorable senator likes to put it in that way, and honorable senators on this side are in accord, and wish to express in an emphatic manner their views with regard to the action of the Government.

Senator Lt.-Col. GOULD.—It is a funny way to do it by playing the part of the truant.

Senator HIGGS.—It might be a funny way to do it in an ordinary Legislature, and it might be a peculiar way in a Legislative Council. I am sorry to think that some members of another place, and a section of the public and the newspapers, have

not got over the impression that the Senate is a mere Upper House. It will be well for them and the public generally when they get to realize that it is something more.

Senator PULSFORD.—Will the honorable senator connect his remarks with the motion?

Senator HIGGS.—I thought I was doing so. The motion contains a reference to the count-out on Friday, and I propose to come to that. The weapon which we have discovered is one which—

comes down as still as snowflakes fall upon the sod.

It must not be used thoughtlessly, and I am sure that honorable senators will find it very effective. If on non-party questions, or even on party questions—and I am not singling out the present Government for distinction—a majority of honorable senators find it necessary to express their opinion, the most effective way which we have discovered up to the present time is a count-out.

Senator GUTHRIE.—Is to stop supplies.

Senator HIGGS.—We might have to do that later on, but the count-out will be a very effective way to bring before the public any action on the part of a Government which we think should be specially emphasized.

Senator Sir JOSIAH SYMON (South Australia) [2.45].—Whilst I thoroughly agree with the sentiment with which my honorable friend opened his remarks that it is essential that the dignity, the importance, and the power of the Senate should be maintained on all occasions, I am not at all sure—in fact, I am convinced of the contrary—that a count-out is exactly the weapon which it ought to use. There are many other and more effective ways in which it can assert itself, and whilst I concur in what my honorable friend has said as to the tendency of late—in fact, during the last five years—to consider that the Senate has not maintained the high place under the Constitution which was anticipated for it, still we have not, I think, utilized the powers and weapons which are in our hands, and which are much more effective for the purpose than a count-out. A count-out establishes nothing. If the Senate is unanimous, or if a majority of honorable senators so desire, they have other ways of asserting their opinion on the conduct of the Government. I need not indicate what they are, and perhaps it would not be relevant to do so. A count-out, I repeat,

establishes nothing, except that in the minds of the few who are in the chamber at the moment there is a feeling that if there is important business on the notice-paper, it is not fair that it should be transacted with a minimum number of senators present. That is all it indicates.

Senator GUTHRIE.—It meant more on Friday. It meant stopping the grant of supply.

Senator Sir JOSIAH SYMON.—I was not here on Friday. I am merely referring to Senator Higgs' suggestion that the Senate has discovered itself, and has found one more and glorious weapon. I scarcely think that it is the best weapon to use, or that which will best effect the purpose, although, if on the occasion of a count-out, it were possible that the reasons for that event and the particular conduct which was sought to be censured were brought under the notice of not merely the Senate but the public by that means, then what my honorable friend has said would, I think, be well founded.

Senator PEARCE.—We seize the first weapon that comes to hand.

Senator Sir JOSIAH SYMON.—I do not wish to discuss that, because I was not here. Whilst quite agreeing with what Senator Higgs said, that we ought, on all occasions, to avail ourselves of every weapon we possess to maintain the control and the power of the Senate, to assert it on the highest possible ground, I doubt whether a count-out is exactly that weapon. It has its uses. There may be reasons for employing it that are not generally known, and it is because of the inability to have them plainly stated in the face of the Parliament and public that I think it will scarcely avail my honorable friend for the high purpose which I, in common with him, desire to see carried out.

Senator O'KEEFE (Tasmania) [2.48].—As one of those who deliberately walked out of the Chamber on Friday as the only way to enter a protest against what I considered to be the unfair action of the leader of the Senate, I candidly admit that that was my reason for taking that course. I am more in accord with Senator Symon than with Senator Higgs. It is not, perhaps, the best way for the Senate to enter a protest, but on that occasion there was no other course open to us.

Senator HIGGS.—There is such a thing as masterly inactivity!

Senator O'KEEFE.—Several honorable senators, including myself, asked, perhaps in rather a heated way, that certain information should be given to the Senate on a vital question of policy. I was one of those who objected to certain action which the Government had taken. Without going into the merits or demerits of that action to-day, I think it would have been only courteous on the part of the Minister of Defence if, when replying to the debate on the first reading of the Supply Bill, he had given the Senate some reasons for what had been done. Instead of doing that, however, the leader of the Government, as it seemed to me, deliberately and intentionally ignored the complaint of those honorable senators who had taken objection. It was this fact that caused me to feel that the leader of the Government had not done a fair thing, especially as the honorable senators to whom I refer are amongst those who have been consistent supporters of the Government. But whether they are supporters or opponents, the leader of the Government owed it to the Senate to give some explanation, at least, of the action to which exception was taken. But when he deliberately ignored those honorable senators, and further said that he did not think it necessary to reply—he may not have meant all his words implied to me, at least—it seems to me that any course of action that suggested itself, even on the spur of the moment, was justifiable. My reason for walking out of the Chamber on Friday last, and thereby assisting to block business, was my dissatisfaction with what I considered the unfair treatment and want of courtesy displayed by the leader of the Government.

Senator MILLEN (New South Wales) [2.52].—I think I might ask the Minister of Defence to give honorable senators some indication of whether or not we shall be able to proceed with business this afternoon. From a statement which appeared in a newspaper recently, it appears that Senator McGregor affirmed that the business would proceed conditionally on the Labour Party receiving a "humble apology" from the Government. The Senate, I think, has a right to know whether that humble apology has been tendered, and, if so, something of the terms in which it has been couched.

Senator CROFT.—We are waiting for the honorable senator's apology on the part of

the Government, for whom he spoke the other day.

Senator MILLEN.—It would save a great deal of time if we had the information I ask for. As to Senator Croft's interjection, I can only say that it seems to me that on Friday last I unconsciously contributed to the discomfort which the Government experienced, by taking what, for me, was the unusual course of saying a word or two on behalf of the administration of the Government. I desire to assure the Minister that it is not frequently that I make that error, and that I shall see that the occasions on which I do so in future are as few as possible.

Senator MCGREGOR (South Australia) [2.54].—I hope that the very best of feeling will be maintained in the Senate, notwithstanding what may have happened on Friday last. In fact, we have evidences of that good feeling now, when honorable senators seem prepared to assist in every way to carry out the intentions of the Government, and thereby forward the work of the country. Even Senator Pulsford to-day exerted himself in assisting the President, when he desired Senator Higgs to connect his remarks with the question before the Senate. The very fact that the leader of the Opposition, Senator Symon, has given expression to the opinion that a count-out is not the best means by which to maintain the rights of the Senate, is another proof of kindly feeling towards the Government. This, of course, must be cheering to the Government; but we must not forget that Senator Symon was not present on Friday, and is, therefore, not fully seized of the circumstances. The Government must be congratulated on the fact that now, for the second time, Senator Millen has got up to take their part.

Senator MILLEN.—I was apologizing for having done so once.

Senator MCGREGOR.—On Friday, the quarrel was not with the Opposition, but with the Labour Party. I have heard Senator Pulsford, and other members of the "Mac-Walker" party, including Senator Gray, declare that the Government are kept in office by the Labour Party.

Senator Lt.-Col. GOULD.—Is it not a fact?

Senator MCGREGOR.—It did not look like it on Friday. I have heard it declared that the Government had to come to the Labour Party in order to get

assistance in the formulation of the Government policy.

Senator Lt.-Col. GOULD.—And we all believe it.

Senator MCGREGOR.—It has been said that, unless the Government do what the Labour Party desire, the Government must suffer. But the very complaint made on Friday last was that the Government have, all through the session, accepted the support of the Labour Party, while—and here I use a word so often repeated by Senator Guthrie yesterday—I “defy” any honorable senator to show that the Government have done anything to carry out any portion of the policy of the Labour Party.

Senator MILLEN.—That is why the Labour Party are kicking!

Senator MCGREGOR.—Further, there are a great many acts of administration and legislation which are not embodied in the policy of the Government, but which the Labour Party are well known to favour. Notwithstanding all this, the Government have done everything they could to show that they have no desire to consult, satisfy, or in any way conciliate the Labour Party. The Labour Party were never consulted as to the policy of the Government; indeed, I might almost say that, in regard to administration, the Government have despised the Labour Party.

Senator CLEMONS.—Still the Labour Party keep the Government in power!

Senator MCGREGOR.—It is better to have a disease that may linger on for half a lifetime than to be afflicted with a disease so painful that, as the Irishman says, we are dead half the time we are alive. So far as I am concerned—and, I believe, I may speak for other honorable senators—the action taken on Friday last was not prompted by any dislike to the representative of the Government in the Senate. That action was due to the way in which the Government had treated the Labour Party throughout the whole session, and are endeavouring to treat that party now. Evidence of that is very plain here to-day. When the Government do anything that is not in accordance with whatever agreement may exist between them and the Labour Party as to the support of the latter during the session, the Opposition are always prepared to jump into the breach, as they are doing to-day, and defend the Government.

Senator CLEMONS.—The honorable senator has not laid that agreement on the table.

Senator MCGREGOR.—In the discussion on the Australian Industries Preservation Bill we have heard a good deal about what is known as a “gentleman’s agreement”; and, as the members of the Labour Party are all gentlemen, and endeavour to keep their promises, they look to the other party to any agreement to do the same. The Opposition, some time ago, resented similar treatment at the hands of the Government, and I can remember the indignation which was felt, and even given expression to, by members of the Opposition when certain action was taken before, or when, this Government came into power. We members of the Labour Party are always willing to accept the assistance of the members of the Opposition who are prepared to join with us in protesting against what we consider to be unfair treatment in connexion with any promise that may have been made as to support to be given to this or any other Government. Seeing that a protest has been entered, and that the people of Australia now know why a certain party in the Senate took that action, we are satisfied to support the Government in carrying on the business of the Commonwealth. I think I ought to refer to what Senator Millen said with respect to the humble or abject apology which ought to be tendered to the Labour Party by the Government.

Senator MILLEN.—I did not say that the apology ought to be tendered; it was the honorable senator who said that.

Senator MCGREGOR.—I suppose that, because I bear a Scotch name, and a Scotchman is never supposed to make a joke or be frivolous, the honorable senator took that statement seriously.

Senator MILLEN.—We accept the honorable senator as an exception to the rule, so far as frivolity is concerned.

Senator MCGREGOR.—Probably Senator Millen, not being a Scotchman, could not see the joke, though he may, perhaps, realize it in a week or two. I hope the business of the country will be carried on expeditiously, and that the Government will bear in mind that, if they desire support, they must treat in a fair way those who are endeavouring to honestly support them.

Senator PULSFORD.—Then the count-out was a joke?

Senator MCGREGOR.—No, the count-out was not a joke.

—Seeing that there is a disposition to continue this afternoon to act as though the session was to last for all eternity, I might as well take a little part in the proceedings. I was very much gratified to hear several senators talking as if they were greatly concerned about the dignity of the Senate. To listen to those honorable senators, one would think that the Senate had no dignity; indeed, after hearing them, I am almost compelled to come to that conclusion. If the Senate had any dignity, honorable senators would not be required to protest so often. I am sorry I cannot agree with Senator Higgs as to the effectiveness of the wonderful weapon he has just discovered—this wonderful weapon of the count-out. The honorable senator pointed out that we had long been hunting, like some blackfellow, for a boomerang or spear with which to convince the Government that we disapprove of their action, and that we had at last found the weapon. I ask in all seriousness what has that weapon accomplished? It has been thrown at, and has hit and rebounded off the hide of, the Government, who stand exactly in the same position that they did on Friday. What have we gained by exploding this bomb under the nose of the Government? Have we had any explanation about their defence policy? Have they given us any information with reference to New Guinea? No; we stand in exactly the same position that we did on Friday afternoon. If Senator Higgs is in earnest, and really desires that the Senate shall stand on its dignity and take its place as a live portion of the Commonwealth Legislature, there is one course, and one course only, open to the honorable senator and those who think with him. That course is to vote against the motion of the leader of the Government. By doing so, and by rejecting the motion we shall most effectually bring the Government to their bearings. But as to a count-out, we might as well tickle the nose of a crocodile with a feather. The leader of the Government himself was very glad to have a count-out on Friday afternoon. He knew perfectly well that the ire of the Labour Party would subside by Tuesday—that the tiger would by then be as docile as possible. To all intents and purposes, so far as I can discover, that is exactly what has happened. As one who, along with other honorable senators, has taken exception to the conduct of the Go-

to vote against the motion, and to continue taking similar steps until the Government have given us the information and explanation which were asked for by certain honorable senators on Friday last. If other honorable senators are in earnest, and wish to maintain the dignity, power, and prestige of the Senate, here is a splendid opportunity. Let them stop all discussion on this Supply Bill until the information asked for has been given. The Government would then find that at last they had bumped up against something. I do not know whether the members of the Opposition would assist the Labour Party in opposing the motion; but, in any case, I shall give them an opportunity to show what they are made of. I intend to carry the feud out to its proper conclusion by voting against the motion.

Senator PLAYFORD (South Australia—Minister of Defence) [3.8].—I desire to say a few words in reference to what has been said of me personally. Senator O'Keefe, from a statement he made, appears to look on my action in not replying as to the matters introduced by Senator Higgs on Friday last relating to New Guinea, as unfair to the Senate. Senator O'Keefe contends that it was my duty to have replied, and that because I did not the Labour Party were perfectly justified in showing their dislike—I shall put it that way—

Senator Sir JOSIAH SYMON.—Their displeasure.

Senator PLAYFORD.—Their disapproval of my action. I ask honorable senators to consider the position for a moment. First and foremost, the affairs of New Guinea are not dealt with by my Department. I cannot be expected to have a general knowledge of all matters connected with the Departments of my colleagues; that is simply impossible.

Senator MILLEN.—Was the Minister not a party to the appointment of the Royal Commission?

Senator PLAYFORD.—The course usually adopted under such circumstances is to give notice, so that the leader of the Government in the Senate may have an opportunity to inquire into the facts, and put himself in a position to reply.

Senator PEARCE.—But there were matters connected with the honorable gentleman's own Department in regard to which he would not reply.

to those matters. However, at present I am dealing with the affairs of New Guinea, to which reference was made by Senator Higgs on Friday last. I did reply as to the Defence Department, as well as I was able to on the spur of the moment.

Senator PEARCE.—The Minister replied by saying that we could not agree amongst ourselves.

Senator PLAYFORD.—Surely I might be allowed to say that—it was the truth.

Senator PEARCE.—Certainly the honorable senator should be allowed to say that, but it was not a reply.

Senator PLAYFORD.—I replied in other language, and only referred incidentally to the difficulty created by the fact that a great many people had different views on the subject of defence. However, I had received no notice that any reference to the subject of New Guinea was to be made, and therefore, I was not in a position to reply. Previously, however, Senator Millen had replied to Senator Higgs.

Senator O'KEEFE.—My point is that Senator Millen is not the leader of the Government.

Senator PLAYFORD.—I had no more knowledge of the subject than had Senator Millen, and all I could have done would have been to repeat what that honorable senator had said. I referred to what Senator Millen said, stating that I was not able to give more information than he had done in reply to Senator Higgs, and that therefore I had nothing further to say on that subject.

Senator CROFT.—It must have been in Senator Millen's department then?

Senator PLAYFORD.—No, it was not. His answer having been given, I considered that it was quite sufficient for me to say that I had no further information, and that therefore I did not wish to take up the time of the Senate on the subject. I never had it in my mind to say anything that was distasteful to any honorable senator. But a Minister is not expected to answer every question on the spur of the moment. Had not Senator Dobson an equal right to say that I did not answer every question that he put to me? Had not other honorable senators a right to say that I had not answered them? But I answered those questions relating to my own Department as well as I was able; and I never had the slightest intention to snub the members of

some honorable senators are under that impression, they are doing me an unmistakable injustice.

Senator Lt.-Col. GOULD.—They are getting the apology now!

Senator PLAYFORD.—I am making no apology whatever. I am simply saying that if honorable senators considered that the statement which I made was unfair to them, I certainly had no intention that it should be so.

Question put. The Senate divided.

Ayes	...	...	...	23
Noes	...	...	...	6

Majority 17

AYES.

Baker, Sir R. C.
de Largie, H.
Dobson, H.
Drake, J. G.
Findley, E.
Henderson, G.
Higgs, W. G.
Keating, J. H.
Macfarlane, J.
McGregor, G.
Millen, E. D.
Mulcahy, E.

O'Keefe, D. J.
Pearce, G. F.
Playford, T.
Pulsford, E.
Smith, M. S. C.
Story, W. H.
Styles, J.
Symon, Sir J. H.
Trenwith, W. A.
Walker, J. T.
Teller:
Croft, J. W.

NOES.

Clemons, J. S.
Givens, T.
Gould, A. J.
Guthrie, R. S.

Turley, H.

Teller:
Stewart, J. C.

Question so resolved in the affirmative.

Debate resumed from 24th August (*vide* page 3381), on motion by Senator PLAYFORD—

That the Bill be now read a second time.

Senator GIVENS (Queensland) [3.18].—I notice in the schedule attached to the Bill that there is a vote for the Administration of New Guinea, and a vote for the Defence Forces. I shall, therefore, be in order in speaking on matters relating to those subjects. As to New Guinea, it will be within the recollection of the Senate that when, last year, Parliament passed the Papua Act, there was a strong expression of opinion from a large number of honorable senators as to what should be the guiding principle for the future government of the country. We were led to believe by the representative of the Ministry that Papua would be governed in accordance with the ideas then expressed. It has been a matter of profound disappointment to a great number, myself included, to find, so far as we can judge from the manner in which the affairs of the Posses-

ment, that all our desires are being completely ignored. For instance, no expression of opinion could be stronger than that made by a number of honorable senators, that the Administrator of Papua should be an Australian, who would be able to govern in accordance with Australian sentiments and aspirations. But, instead of the Government redeeming the promise then made—because there was an implied promise that effect would be given to that desire—it went out of its way to offer the Administratorship to a gentleman who is not an Australian, and who could hardly be expected to govern the Possession in accordance with Australian sentiment and ideals. The Government, being disappointed in its desire to appoint a certain gentleman, has proceeded to shelter itself behind a Royal Commission, appointed to inquire into the present administration, and into matters connected with the Possession generally. When a Government, by its very existence, acknowledges that there is a man in Australia good enough to be the head of the Administration of this great Continent, it is quite up to that Government to recognise that there must be some other Australian good enough to be the Administrator of that small Possession. If an Australian is good enough to be Prime Minister of this Commonwealth, why cannot we find an Australian who is good enough to govern the only Possession we have outside the borders of Australia? How can we expect to get an Imperial officer, or some person from Great Britain, who has had no previous experience in opening up any new country—much less in opening up a new tropical country—and who has no acquaintance whatever with Australian sentiment, to govern this Possession as we desire to see it governed? It is not possible. The Government should not have run away from its responsibilities, but should have appointed some one in Australia to the position. I know personally, that so far as New Guinea officials are concerned, they are mostly absolute failures, who have been pitchforked into positions over there. Some officers who have been there have been the ne'er-do-well hangers-on of aristocratic families, whom those families were glad to shift away, because, so long as they were nearer home, their relatives were continually afraid that they would be a disgrace to them. It may be satisfactory from the point of view of aris-

to shift their ne'er-do-well relations to Papua in this fashion, but it is not well from the point of view of Australians, who have the responsibility of administering the affairs of the country. Perhaps some honorable senators may consider that the remarks which I have allowed to fall with regard to the character of some of these officials are a bit too strong. But they are not strong enough to cover the actual facts. I know of my own certain knowledge that one man was appointed simply and solely on the ground that he had certain highly-placed relatives in this country, and that he had to be run out of New Guinea because of his conduct there. Afterwards that same man had to be smuggled out of Melbourne by his highly-placed relatives to avoid the officers of the law. These are the people who have been appointed to positions within the gift of the Government over there. The sooner we determine to have a better system of management the better. What is the position at the present time? The Government, in compliance with a request made by the Administrator, Captain Barton, has appointed a Commission to go to Papua to inquire into the management of affairs generally. We have already had two Papuan Commissions. Last year the Secretary of the Department of External Affairs was sent over at considerable expense to inquire and report. He did so, and his report has been before honorable senators. After the Richmond case another Commission was appointed. Now we have a third appointed at the request of Captain Barton—a request which was read to the Senate yesterday, and which I say is a very lame document on the face of it. It is a very short statement, saying that there are rumours going round as to dissatisfaction with the administration, and requesting that a Commission be appointed to inquire. No details are given. No strong reasons are put forward. But the very moment the Government received the request it almost rushed into the arms of Captain Barton, and appointed a Commission. To me it looks very much like a "put-up job."

Senator HIGGS.—If Captain Barton had been ordering a dozen bags of corn he would have used as many words.

Senator GIVENS.—If he had been giving an order to his valet about going out duck shooting he would have given as many details as are contained in this

was appointed simply to allow the Government to shelter itself behind this device, and to run away from its obvious duty. The duty of the Government is to see that the affairs of Papua are efficiently and properly administered. I require no Commission to tell me that the affairs of the Possession have not been well managed, because it is a self-evident fact. Any one who has taken interest in New Guinea affairs must be aware that the administration is a total and absolute failure. In addition to the revenue produced in the country, it costs this Commonwealth £20,000 per annum to administer the Territory, and we know that this money is spent on a little nest of officers who do nothing. There is not even a couple of miles of efficient road there yet. The white population is seething with discontent. In every respect the administration is a failure. Why go to the needless expense of appointing a Royal Commission to tell us so? And even after we have paid the members of the Commission, it is doubtful whether they will tell us the real state of affairs, because reliable evidence will not be placed before them. They will obtain evidence from the Administrator himself, and from his officers, who are absolutely dependent upon him for their positions. It is not to be expected that the Commission will obtain any really impartial evidence.

Senator TURLEY.—Does not the honorable senator think that the Commission will go round and get evidence, independently of the Administration?

Senator GIVENS. — We know further that there is a sort of reign of terror established in New Guinea at the present time, and that any man who sets himself to in any way thwart the desires of those at present administering the affairs of the country, finds it made so hot for him that he has to clear out of it. I am personally acquainted with many men living in New Guinea, and, rightly or wrongly, that is the feeling they have. That must be admitted to be a highly unsatisfactory condition of affairs. There is a very simple way out of the difficulty, and it is for the Government to assume their proper functions, and to exercise the responsibility which this Parliament has placed upon them. They are unworthy to occupy their present position if they are not prepared to accept that responsibility. It is a

sheltering themselves on every possible occasion behind some Royal Commission. In my view, the only way in which we can manage New Guinea is the very simplest way, and that is by the appointment as Administrator of an Australian who will know what ought to be done in the development of a tropical country, and what is necessary to safeguard the interests of the natives of the Territory. We want a person in the position who will do something by opening up roads, and other such works, for the development of the country, instead of sitting down in an office, drawing a salary every year, and having nothing to show for an annual expenditure of £43,000. That is the present position in New Guinea, and the longer it is allowed to continue, the worse the position will become. There are plenty of men in Australia capable of administering the government of New Guinea, men who have had experience in the opening up of tropical country, in the conditions which there prevail, and who have been in the habit of dealing with aboriginal natives. They are certainly far better fitted for the thousand and one duties which would fall to the Administrator of the Possession, than any hanger-on of an aristocratic family of the old country could possibly hope to be. I hold that the Government are deserving of censure for neglecting to carry out the express wish of Parliament by proclaiming the Constitution of the Territory, and establishing an Administration. When I endeavoured to have certain amendments inserted in the proposed Constitution, I was told that although a majority of honorable senators were in favour of them, it would be better not to press them, because if I did, we should lose the Bill, and New Guinea would only be so much longer without a Constitution. It now appears that it would not have made the slightest difference if the Constitution enacted for New Guinea had been delayed for another twelve months, since it has been allowed to remain a dead letter since the day it was passed. How long is this state of affairs to continue? How long will it be before the Government assume their proper responsibility, and rectify the shameful state of affairs at present existing in New Guinea? I am satisfied that the people of Australia are not satisfied that things should be allowed to go on as they have been for some time past, and I warn the

Government plainly that unless something is done to rectify the present position of affairs, I shall, on every available occasion, be prepared to criticise their action, or rather, inaction, as strongly as I possibly can. I hope that in future the Government will accept their proper responsibility in this matter, and will pay some respect to the wishes of Parliament, and, I venture to say, of the country. I hope they will undertake to put an end to the present position by the appointment of Australian officers to administer British New Guinea, in accordance with Australian ideals and sentiment. There is another matter to which I should like to refer, and that is in connexion with the Defence Department. It appears to me that so long as the government of the Commonwealth is conducted as at present, our aspiration to be considered a self-governing people will remain little more than an aspiration or a pretence. Self-government should mean, if it means anything, government by ourselves in accordance with our own ideals. I have pointed out that in the case of New Guinea, instead of the Government endeavouring to govern that Australian Possession by Australians, and in accordance with Australian sentiment, they appear to desire to import Imperial officers to administer the Territory in accordance with Imperial ideas. If that be the object in view, why did we take over New Guinea at all? Why could we not have left the Possession to the Imperial authorities to manage it as they pleased? Having undertaken the responsibility, the Government have run away from that responsibility, and what in such a case becomes of the principle of self-government? The same thing holds good with regard to the question of defence. The Government, instead of formulating a defence policy for Australia, run away to the Imperial Defence Committee, and ask the members of that Committee to formulate a defence policy for us. Is that self-government? If we are to go on in that way, we might just as well have remained an appendage of the Imperial Parliament and Imperial authorities.

Senator HENDERSON.—That is all we are.

Senator GIVENS.—Exactly; and I desire that we shall be something more than that. I believe that we in Australia should be a thoroughly self-governing community in every respect. Whilst owing nominal allegiance to the British Crown, we should

exert our rights of self-government to the fullest possible extent. That, however, will be impossible if the Federal Government are content to run away from their responsibilities, and if, because of their own incapacity to formulate a defence policy, they are prepared to shelter themselves behind the report of the Imperial Defence Committee, and the reports of endless committees and commissions of inquiry.

Senator MCGREGOR.—They cannot even tell us why Captain Crouch surrendered.

Senator GIVENS.—If we are to refer in these matters to the Imperial Defence Committee, self-government with us is but a farce. I am not content, nor is the majority of the people I represent content, that the great Defence Department of the Commonwealth should be conducted in any such way. The people of Australia have ideas of their own, and desire that they should be put into practice. The sooner Ministers recognise that fact the better for themselves. If they do not, the people will soon find a Government who will. When the last Supply Bill was before us, I made some reference to the necessity for the establishment of an Arms and Ammunition factory in Australia. The Minister pooh-poohed the idea, and contended that the cost would be too great, but I say that no cost can be considered too great that is necessary to insure our safety in the hour of danger, and there is absolutely no safety for us in this respect unless we can manufacture our own arms and ammunition. The supply of arms and ammunition that can be kept in stock is necessarily limited, and might possibly not amount to more than would suffice to meet the requirements of a month or two on a war basis should hostilities actually be commenced. It is quite within the bounds of possibility that our communications oversea would be cut off, and we should then be absolutely helpless, notwithstanding the manhood of the nation, unless we were able to arm our own people. There is only one way in which we can be sure of being able to do that, and that is by the establishment of an arms and ammunition factory of our own. It must be admitted that our provision for defence is farcical if it is not sufficient, and it should be made sufficient at whatever cost. It is somewhat peculiar for a protectionist like the Minister of Defence to contend that we should not establish

a local arms and ammunition factory, because it might cost a little more per lb. to manufacture cordite in Australia than to import it, or to make or repair guns in Australia than to import them. I point out that the matter of national defence is one which cannot be governed by considerations of pounds, shillings, and pence; that no cost can be considered too high to insure our safety in the hour of trial. I object mainly to the fashion which would appear to be coming greatly into vogue in Federal politics of the Government running away from their responsibilities, and sheltering themselves behind royal commissions on every possible occasion. That has always been the refuge of a Government which have lacked sufficient courage and capacity to tackle any great question on their own. I object for this reason to the appointment of the New Guinea Commission, and to the various Committees, inquiries, and reports in connexion with the Defence Department. Nothing is ever done. The reports are pigeonholed, they have grown to be mountains high, and it would now be a superhuman task for any man to undertake to read them all. Any ideas which the Department of Defence might have had have been covered over with a mass of verbiage. What we require is a plain, straightforward commonsense defence policy, and if the present Minister of Defence is unable to initiate such a policy, the sooner we get a Minister who is capable of doing so the better it will be for the country. My criticism may appear to be somewhat harsh, but I have no desire to be unduly severe upon the Government. My chief desire is to induce them to do what I know the people of Australia desire that they should do, and that is to conduct the government of the Commonwealth, and of New Guinea, in accordance with Australian ideas, and to establish a national system of defence that will be satisfactory to the manhood of Australia. If the Government will do that they can be assured of the support of the country, and of Parliament, and that generous assistance will be given them by Parliament in the passing of the necessary supplies. The Minister of Defence partly promised last session that during the recess he would formulate a defence policy, but the honorable senator has not done so.

Senator PLAYFORD.—I said that I hoped to be able to do so, but I have not.

Senator GIVENS.—That is because the honorable senator instead of tackling the

question himself has referred everything to Boards, and to the Imperial Defence Committee.

Senator PLAYFORD.—I could not think of formulating a defence policy of my own without the advice of experts.

Senator GIVENS.—The question has been under consideration since the formation of the Commonwealth. How many years does the honorable senator want? Can he guarantee that we shall be absolutely free from aggression while he keeps his considering cap on?

Senator PLAYFORD.—We are free enough now.

Senator GIVENS.—We are free for the time being, but can the Minister guarantee the continuance of that freedom for one day?

Senator PLAYFORD.—I think we can.

Senator GIVENS.—The man who says he can is living in a fool's paradise.

Senator PLAYFORD.—Oh, no.

Senator GIVENS.—Every man is eating, drinking, and making merry, and when the disaster comes he will say, "Who would have thought it?" The way in which to avert disaster is to be prepared to fight if ever the need should arise; and at present our promise of safety is a mere sham. We shall have no assurance against disaster unless we prepare to fight our own battles when the time should come. I hold very strongly the feeling that our defence policy should be a national one, and entirely apart from the Imperial defence policy.

Senator DOBSON.—Would not an Imperial defence policy suit the honorable senator?

Senator GIVENS.—For Australia we should have a national policy, and if we desire to take part in an Imperial policy, that should be a separate thing.

Senator STANFORTH SMITH.—To work in unison with the Imperial policy?

Senator GIVENS.—Certainly. Any Government which fails in its duty to provide a national policy for Australia are, I am sure, courting disaster, and will meet with a very bad set-back from the people.

Senator PLAYFORD (South Australia—Minister of Defence) [3.47].—I desire to say a few words in reply to Senator Givens, who has referred to the troubles we have had in Papua.

Senator GIVENS.—And the Government will continue to have troubles there while the present policy is pursued.

Senator PLAYFORD.—There is no doubt that, for a great many years, we have had trouble in connexion with the Possession. It appears at present to range round the Acting Lieutenant-Governor, Mr. Barton, who, I understand, was originally a civil servant there. I forget in what capacity he was employed, but I think it was in connexion with the police.

Senator WALKER.—He was Resident Magistrate in one of the districts.

Senator PLAYFORD.—Mr. Barton had experience in British New Guinea, and his experience in the position of Acting Administrator has extended to nearly two years and a half.

Senator GIVENS.—For how long was he appointed?

Senator PLAYFORD.—I do not know, I have not the particulars here. The Prime Minister sent his Secretary to British New Guinea to make a report, which honorable senators have read, and which contains nothing to the disparagement of Mr. Barton. But after Mr. Hunt had left the Possession a man named Richmond—a civil servant there—brought a charge against Mr. Barton, to the effect that he had altered a minute by adding to it.

Senator WALKER.—He is a captain in one of His Majesty's regiments, and "Captain Barton" is his proper title.

Senator PLAYFORD.—It makes no difference whether he is a captain or a sergeant or a lieutenant. He is a man, I suppose, and as such he ought to receive every consideration at our hands, and not to be unjustly or unfairly treated or hounded down. With reference to the charge made by Richmond, there was appointed a special Board of Inquiry, which, if I remember aright, consisted of Mr. McLachlan, the Public Service Commissioner; Mr. Garran, who is well known to honorable senators as an annotator of the Constitution in conjunction with Sir John Quick; and Mr. Allen, who is Secretary to the Treasury. As the result of an exhaustive inquiry, the Board absolutely exonerated Captain Barton from all blame, and fixed the blame upon his accuser, who was disgraced, and sent to a more outlying part of the Territory. Meanwhile, as I am informed by the Prime Minister, complaints were coming to him from diggers, storekeepers, and others in Papua more particularly in regard to the administration of the land laws. Although he was not prepared to dispense with the services of Captain Barton, still he felt that if he could get a gentleman who possessed special

knowledge, and had had practical experience in that country, it would be a wise thing, in the circumstances, to secure his services. There was a man who, for years, had been governing it as a Possession, and who was admitted on all sides to be a most highly successful Administrator, and the Prime Minister very properly thought that if he could secure his services he would be doing the right thing. He did not take this course for the purpose of snubbing Captain Barton, because he felt that, although he had never communicated with Captain Barton on the subject, that gentleman would readily retire in favour of a man possessing unique qualifications for the position. Some honorable senators seem to think that it was a put-up job on the part of Captain Barton to apply for a Royal Commission. I am informed that it was nothing of the sort. The Prime Minister says that, so far as he is aware, Captain Barton did not know at the time he asked for the appointment of a Royal Commission that he was in communication with Sir William McGregor on the subject. He decided to order an inquiry, because he believed that that was the very best way to find out to what extent trouble existed, and how it would be possible to prevent a recurrence of it.

Senator GIVENS.—Does the Minister think that the administration of affairs of Papua at the present time is a success?

Senator PLAYFORD.—I do not know. I have not administered the Department of External Affairs, and I do not pretend to make definite statements on the subject. It may be not the fault, but the misfortune, of Captain Barton to be surrounded by men who do not act loyally towards him. The honorable senator has pointed out certain officers who, in his opinion, were highly improper persons to be appointed in any circumstances. Being subordinate officers, it can be readily understood that they might make it almost impossible for Captain Barton to govern the Territory. No man can govern a territory, command a regiment or a ship unless he has the loyal support of his officers, and also of his men.

Senator MCGREGOR.—Who appointed those officers?

Senator PLAYFORD.—I do not know, but I should imagine that many of them were appointed before we took office.

Senator GIVENS.—They ought to be cleared out; but the Government are not strong enough to do that.

Senator PLAYFORD.—The honorable senator spoke of the absolute and total failure of the Government, and of officers being unfit. If that is the case, why should he object to the appointment of a Royal Commission? Is it not to inquire into those very things?

Senator GIVENS.—How many inquiries will be necessary?

Senator PLAYFORD.—Having failed to secure the services of Sir William McGregor, we have no one here with special qualifications for the position.

Senator GIVENS.—There are plenty of good men in Australia.

Senator PLAYFORD.—It is a great deal better to have a Royal Commission to inquire into the matter, and to give the Government the best advice on the subject before a Lieutenant-Governor is appointed. I now come to the question of appointing an Australian to the position. For many years my principle has always been to appoint our own citizens in preference to outsiders in practically every case, except such a unique case as that of Sir William McGregor. I have no doubt that in the future an Australian will be appointed to this position, if it is found that the present occupant is responsible for what is called the misgovernment of the Territory. But if he is not, and we cannot get a man with a better knowledge of tropical countries, and with more experience, why should we dismiss Captain Barton and put another man in his place?

Senator GIVENS.—Because so far the government of the Territory has not been a success, but a failure.

Senator PEARCE.—Does the Minister of Defence say that if it cannot be proved that Captain Barton is incapable, he must be appointed to this position?

Senator PLAYFORD.—No, I do not. I would say that it is necessary to prove the affirmative. We must believe that he is capable.

Senator PEARCE.—We want something more than mere belief.

Senator PLAYFORD.—I know that the whole question is surrounded by very great difficulty. If honorable senators will take the trouble to look up a speech which was delivered on the 23rd August, 1906, by the Prime Minister, in reply to statements exactly similar to those which have been made here by Senator Givens, they will see the answer which can be given. Sena-

tor Givens has charged me, as Minister of Defence, with being in favour of the appointment of Imperial officers.

Senator GIVENS.—I did not say anything of the kind.

Senator PLAYFORD.—I misunderstood the honorable senator, because I took down those words.

Senator GIVENS.—I said that on every occasion the honorable senator was in favour of committees and commissions of inquiry, instead of doing the work of his Department.

Senator PLAYFORD.—I heard the reference to commissions of inquiry; but the honorable senator charged me with being in favour of appointing Imperial officers.

Senator GIVENS.—No.

Senator MCGREGOR.—Of getting advice from Imperial officers.

Senator PLAYFORD.—That is another point.

Senator GIVENS.—I charged the Minister with being on every occasion in favour of appointing boards of inquiry, instead of himself formulating a national policy of defence for Australia.

Senator PLAYFORD.—But subsequently the honorable senator said that I had always been in favour of appointing Imperial officers. I have never been in favour of their appointment. I have been criticised very severely because during my term of office I have got rid of two or three of them. I had placed in the Governor General's speech a special paragraph with regard to that very subject, and the Government are now pledged to the appointment of Australian officers to the Military and Naval Forces, and to the appointment of Australian citizens to positions in the Public Service, wherever favorable and fit men can be secured. The honorable senator also asked why I appealed to the Imperial Defence Committee for advice with regard to the defence of the Commonwealth.

Senator GIVENS.—The Minister asked them to formulate a policy for him.

Senator PLAYFORD.—No; we asked the Imperial Defence Committee, not to formulate a policy, but to make recommendations. Our own officers, who possess local knowledge, will be able to say whether they agree with the recommendations or not, but because the Imperial Defence Committee have made recommendations there is no necessity for us to adopt them. When there were in Great Britain Imperial officers who were of the highest standing, and

greater than our own men could possibly have had—when there was a Colonial Committee of Defence, which advised the States prior to Federation, and which has since advised the Commonwealth; when I received from my officers all sorts of conflicting recommendations, and when, not being an expert, I could not very well decide between them, I thought that the best thing I could possibly do, in the interests of the Commonwealth, was to ask the highest authority in the British Empire to give us the benefit of their advice. I submit that, taken as a whole, their advice is excellent. Let me take one point on which my officers were not absolutely agreed, and that is the character of the guns which should be mounted here. The Imperial Defence Committee recommended a uniform type of gun for use throughout the Commonwealth, namely, the 6.7, which is one of the best guns to be procured. An ordinary 6-inch gun is not to be compared for excellence with the 6.7 gun, which contains all the latest improvements. By the adoption of the superior gun we shall be able to save something like £16,000, while maintaining our fixed defences in a state of equal, and even greater, efficiency. The 6.7 guns require a smaller number of men to handle them, and, because of this, there will, of course, not be the necessity to employ so many permanent members of the force. Other recommendations have been made by the Imperial Defence Committee; and these we shall have to consider. For instance, it is recommended that the fixed defences at Albany, and also at Fremantle, shall be abolished; and it is for us to decide whether that step shall be taken. What I desire to point out is that these recommendations are made by some of the highest authorities to whom we could appeal. At the same time, we are not bound to adopt all their recommendations, and I do not suppose that we shall.

Senator GIVENS.—After considering the recommendations, how long does the Minister think it will take to formulate a defence policy?

Senator PLAYFORD.—I should say not more than a month. I have brought matters to a point at which I can lay before my colleagues what I believe should be the policy for the present, and for the near future. I cannot, of course, lay down a scheme for all time, because, in matters of

modification in the methods of administration and organization. The Boer war taught the British Generals that there is not that necessity which was previously insisted on for men to be drilled and dressed up on parade, with a view to going through certain evolutions, but that the best men for the defence of the country are those who, with, perhaps, only a slight knowledge of drill, have received a thorough training in the use of the rifle. It will be seen that an alteration of the kind indicated will, to some extent, do away with the necessity for regular troops; and a modification in this direction may be seen in the proposals recently laid before the House of Commons by Mr. Haldane. I think the Government have done quite right in getting the best information possible before submitting a defence scheme to Parliament. The establishment of a factory for the manufacture of small arms and shells was recommended by Major-General Hutton years ago, and has been approved of, I think, by every Government up to the present. No doubt it is exceedingly desirable that the Commonwealth should possess such a factory, though this is not so important as we might be led to suppose from the remarks of some honorable senators. However that may be, there must sooner or later be a factory of this kind in the Commonwealth, though, singular to relate, no proper information has been obtained on the subject. Information is being obtained now. It will be remembered that last year, when the subject was before us, I pointed out that the smallest establishment for the manufacture of small arms and shells would cost at least £150,000.

Senator GIVENS.—Twice that amount will be thrown away by the adoption of penny postage.

Senator PLAYFORD.—The question of expense must be considered; we must not rush into any lavish disbursement in this connexion before we are ready. My own opinion is that enterprises of this kind should be built up by degrees; and I have asked for plans and estimates for the most modest small arms and ammunition factory that can be worked with economy.

Senator MULCAHY.—Get a bullet mould!

Senator PLAYFORD.—This is a much more serious matter than the honorable senator seems to imagine. In Canada the manufacture of small arms for the Government is carried on by a company, which

turns out the Ross rifle—a very different weapon to that favoured in the Commonwealth. This manufacture by a company has been going on for only a comparatively short time; and, from the last report which I read, the venture does not appear to be proving very satisfactory. I do not approve of the manufacture of small arms and ammunition being carried out by a private company. Such work ought to be carried on under Government supervision—that is the best policy under the circumstances. I hope that whoever may be Minister of Defence in the future will be able to lay before Parliament a proposal for the establishment of a small arms factory, which I think must be situated at Lithgow, in New South Wales, where the coal and iron are on the spot. I need not say more than that this is a usual Supply Bill, making no more than the ordinary provision based on last year's Estimates. No new appointments or new works are dealt with in the schedule.

Question resolved in the affirmative.

Bill read a second time.

In Committee:

Clause 1 agreed to.

Clauses 2, 3, and 4 postponed.

Schedule.

Senator GIVENS (Queensland) [4.8].—I see that there is an item of £5,000 towards the expenses of the Administration of New Guinea. I suppose that this is the usual quarterly contribution—that no provision out of the ordinary is made?

Senator PLAYFORD (South Australia—Minister of Defence) [4.9].—It is the ordinary quarterly contribution based on the amount voted last year.

Schedule agreed to.

Postponed clause 2 (Issue and Application of £748,363).

Senator FINDLEY (Victoria) [4.10].—In the Department of the Treasury there is an item of £3,600 for salaries under the heading of "Government Printer." I desire to know how this amount is made up?

Senator PLAYFORD (South Australia—Minister of Defence) [4.11].—This is the usual amount based on that voted last year for the same purpose; that is, the £3,600 is one-fourth of the amount voted on the Estimates last year.

Senator FINDLEY.—Is it a vote to the Government Printer for the printing necessary for the Commonwealth?

Senator PLAYFORD.—Undoubtedly, and also for the payment of salaries.

Senator MULCAHY (Tasmania) [4.12]. In the Department of the Postmaster-General there are votes for the conveyance of mails, cables, and ocean mails in connexion with Tasmania. I desire to know whether the conveyance of mails and cables involves any alteration of the present methods, or whether the votes are simply to meet current obligations?

Senator KEATING (Tasmania—Honorary Minister) [4.13].—The votes are only to meet current obligations, and I understand they are based on the figures supplied to honorable senators in connexion with the Budget.

Senator MULCAHY.—The votes do not commit us to any new policy.

Senator KEATING.—No.

Clause agreed to.

Postponed clauses 3 and 4 and title agreed to.

Bill reported without requests; report adopted.

Bill read a third time.

AUSTRALIAN INDUSTRIES PRESERVATION BILL.

In Committee (Consideration resumed from 28th August, *vide* page 3436):

Clause 7 agreed to.

Clause 8—

1. Any foreign corporation, or trading or financial corporation formed within the Commonwealth, which monopolizes or attempts to monopolize, or combines or conspires with any person to monopolize, any part of the trade or commerce within the Commonwealth, with intent to control, to the detriment of the public, the supply or price of any service, merchandise, or commodity, is guilty of an offence.

Penalty: Five hundred pounds.

2. Every contract made or entered into in contravention of this section shall be absolutely illegal or void.

Senator Sir JOSIAH SYMON (South Australia) [4.16].—This is a clause which enables the Commonwealth to interfere with a trade or undertaking carried on within the boundaries of a State. It is more specific in that respect than the clause upon which a constitutional question has already risen, namely, clause 5. It would prevent a trading corporation or a financial corporation from carrying on its own business within the boundaries of a State, even although the State law did not apply, and the operations of the company might be beneficial in the estimation of the State. It raises identically the same point as we previously discussed, as to the position in which the Bill places

duals, who may be guilty of the grossest possible monopoly in the estimation of a State to the detriment of the community within the State. That individual or combination of individuals may indulge in monopoly to his heart's content, and to the great disadvantage, it may be, of the whole or part of the community, while an incorporated company on the other side of the street will not be able to do so. There will thus be two sets of laws. A combination of individuals in the form of a partnership may do all the evils sought to be cured by this clause, but the same combination of individuals if they choose to register themselves as an incorporated body will be liable under this legislation. I do ask honorable senators whether, from that point of view alone—without going into any subtleties of constitutional law—the situation commends itself to them? How could they justify that position when they go before the electors, as a number of us have to do within a few weeks? It would be impossible. We should be rightly accused of being traitors, not to the rights of the States so much as to the rights of the traders within the State. It is impossible for any man to justify to his constituents the making of fish of one and flesh of another by declaring that, because the registrar of companies has given a certificate as to the existence of a corporate body, it shall be liable to the penalties and punishments of this Bill, whilst, because a number of individuals have chosen to dispense with that certificate they shall be free. Anything more unjust was never perpetrated. I feel perfectly satisfied that none of us can justify either to our judgments or our political consciences the enactment of it on the eve of an election without giving the people of the States an opportunity of saying whether or not they will come under the operation of such a law.

Senator FINDLEY.—It will not injure any one unless he is guilty of an offence.

Senator Sir JOSIAH SYMON.—That is not the point. This Bill makes people guilty of an offence. It is like saying that one man may commit murder, and another man may not. It reminds one of the old adage that one man may steal a horse, while another may not look over the fence.

Senator DE LARGIE.—The honorable senator wants to give every one an opportunity to steal a horse!

not wish to give an immunity.

Senator DE LARGIE.—Because we cannot catch all we are not to catch any.

Senator Sir JOSIAH SYMON.—Not at all.

Senator MCGREGOR.—It seems to me that it is the Constitution that has made the difficulty.

Senator Sir JOSIAH SYMON.—My honorable friend is mistaken. I have a very strong opinion that the Commonwealth has no power of this kind under section 51 of the Constitution. It was never so meant, and the words of the section do not carry the construction which the Government puts upon them. I could name scores of corporations that are carrying on business in Adelaide and Melbourne, where individuals or companies of individuals are carrying on similar businesses, and could continue to do so with impunity after the passing of this Bill. Take the company of which Senator Playford is chairman—the Market Company of Adelaide. Under this Bill, that company would be liable to be prosecuted for an offence.

Senator PLAYFORD.—No fear!

Senator FINDLEY.—Not unless it operated in different States.

Senator Sir JOSIAH SYMON.—That remark shows that some honorable senators are not grasping the position. Clause 8 does not relate to corporations carrying on business amongst the States. It relates to particular corporations or trading companies carrying on business within a State under the law of the State. There is, for instance, Elder, Smith, and Company, Limited, in Adelaide, which was originally a partnership. If it remained a partnership, it could not be touched by this Bill.

Senator MCGREGOR.—Suppose Elder, Smith, and Company conspired?

Senator Sir JOSIAH SYMON.—This is not a question of conspiracy, but of monopoly. I ask honorable senators to direct their minds to what the clause does. It enables a trading company, simply because it is an incorporated body, to be brought up on a charge of monopolising part of our trade and commerce with intent to control—that is the essence of it—the supply or price of any service or commodity. There must be something crooked or wrong in the Constitution if it would permit one law for an individual who is incorporated, and another for an individual who is not incorporated. The Constitution

trading persons. The only effect of incorporation is to make a number into a "person"—to make a company a legal entity. Yet we are going to assume the power on the part of the Commonwealth to make a law for one individual that will not apply to another. We are going to make that act criminal in one individual, which, if done by another, would not be criminal. It is not as though it were desired to catch one man and not another. This is making one law for the rich and another for the poor. It is saying that a corporation shall be liable to penalties which are not imposed upon much wealthier persons who are carrying on business without incorporation. I am as strongly opposed to monopolies as any man can be. I detest them, and I should like to have them stopped by an efficient measure. I have always recognised, and I recognise now, that there is very great force in arguments that have been used—I do not say that I agree with them—that if you find some specific undertaking carried on as a monopoly, to the detriment of the public, being mischievous, and you see no cure for it in any other way, the State should take control of it. But that is not this case. This is a case where you say that, although you find that an individual—Jones, we will say—is guilty of a gross monopoly, and doing mischief to other persons engaged in the same trade, he is not to be liable under this Bill.

Senator STORV.—Is it not possible to make an individual liable?

Senator Sir JOSIAH SYMON.—Not by us. That is the whole point. I ask honorable senators to forgive me if I insist upon this. It is not possible to make an individual liable, because the ground upon which it is sought to make a trading corporation liable is that the Constitution uses the words "foreign corporation or trading and financial corporation." I ask honorable senators now, as a serious deliberative body legislating under the powers of the Constitution, whether they think it is right that they should give an immunity to one man to do a thing which they make an offence in another. I go further, and say that, if the construction put upon the Constitution by the Government—and in which they are supported by some honorable senators—be sound, it is a mischievous Constitution, and not a beneficial one. There is no country in the world in which such

power to do what is proposed; and, secondly, we should not give immunity to one man for doing exactly the thing for which we punish another, simply because he happens to be a corporation under this Bill.

Senator DE LARGIE.—I am not so presumptuous as to pretend to argue the constitutional question with Senator Symon, but, as he was not present when the matter was previously discussed, I direct the honorable and learned senator's attention to paragraph xx. of section 51 of the Constitution. Whatever may be the meaning of the words as used in the Constitution, they have been introduced into this Bill, and if the Constitution does not give us the power, as the honorable senator contends, the provision with which he finds fault will not be operative. The contention that because we have not the power to prevent every one from doing what we regard as an offence, we should not, therefore, prevent corporations from doing it, is a kind of reasoning which will not go down with the Committee. I am prepared to go as far in this matter as the Constitution permits. If the Constitution does not give us all the necessary power, and what we do requires to be supplemented by the States' Parliaments, we must leave to them the responsibility for their share of the work. If it is agreed that what is here dealt with can be regarded as an offence, and the Constitution does not give us the power to cover the whole ground, the responsibility for making the law uniform must rest with the States Parliaments.

Senator DOBSON (Tasmania) [4.36].—Some honorable senators do not yet quite understand the constitutional point which Senator Symon has endeavoured to put before the Committee on more than one occasion. The point, as I understand it, is that under the Constitution we have the power to regulate only trade and commerce with other countries and among the States. Clause 7 of the Bill keeps to that, but in clause 8 we are asked to set aside the words of the Constitution, and in the case of a corporation, to legislate in respect of trade and commerce in any part of the Commonwealth, which means legislating with respect to trade in a particular State.

Senator PLAYFORD.—The clause quotes the words of the Constitution.

Senator DOBSON.—I am pointing out that that is exactly what it does not do.

Senator PLAYFORD.—“Any foreign corporation or trading or financial corporation.” Those are the words of the Constitution.

Senator DOBSON.—I say that the clause does not use the words of the Constitution, because, with respect to our power to deal with trade and commerce, we have to look to paragraph 1. of section 51, and in clause 8, where it is proposed to penalize corporations, we are asked to depart from the words of the Constitution, and to attempt to regulate the trading of a corporation in a particular State. We have no power to interfere with trade in Tasmania or in any other State of the Commonwealth.

Senator DE LARGIE.—Then to that extent the clause will be inoperative?

Senator DOBSON.—Senator de Largie regards certain operations as an offence, and believes that if we cannot punish such offences within the boundaries of a particular State, we should stretch the Constitution to enable us to do so.

Senator DE LARGIE.—I said nothing of the kind.

Senator DOBSON.—We should attend to our part of the business, which is the regulating of trade and commerce with other countries and among the States, and it is for the States Parliaments to regulate trade within their respective States. Do not honorable senators see that this proposal is the grossest attempt to interfere with States rights that was ever submitted to the Senate?

Senator DE LARGIE.—Look at paragraph xx. of section 51 of the Constitution.

Senator DOBSON.—That does not help the honorable senator in any way, because under that paragraph we have power to make laws with respect to corporations and trading companies. Honorable senators propose to carry that power back to paragraph 1. of section 51, conferring the power to deal with trade and commerce, and to contend that in that way we have the power to interfere with trade in a particular State. There are references in section 51 to bills of exchange and promissory notes. We have the power to enact legislation concerning them. But if the reasoning of some honorable senators be correct, we have only to take that paragraph in conjunction with paragraph 1 of section 51, and claim that we have the power to deal with trade and commerce so far as it is affected by bills of exchange and promissory notes in any particular State. I

ask honorable senators to say whether they think we can do that? We have also under the same section of the Constitution the absolute control given us with respect to immigration and emigration; but will my honorable friends contend that that, in conjunction with the paragraph 1. of section 51, gives us the power to make laws restricting the trading powers of immigrants? In this measure we are being asked to differentiate between a company and a private individual. Do honorable senators contend that in the same way we should have the power to differentiate between an immigrant newly arrived in Tasmania and a citizen of Tasmania who has been in the State all his life, simply because we have the power to deal with trade and commerce as well as the power to deal with immigration? Senator Keating should tell the Committee whether he really believes in this clause as it stands. We must have a division upon it, because there are some of us who believe that we should place on record our protest against what we consider to be unconstitutional and illegal. We are bound to protect States rights in this matter, and must have a division on the question. The time will come, and no doubt very shortly, when the High Court will be called upon to decide the point, and it is as well that it should be shown that some members of the Senate have not lost their heads over this business.

Senator GIVENS.—The High Court will not take the slightest notice of what honorable senators do.

Senator Sir JOSIAH SYMON (South Australia) [4.42].—I wish to say that I quite appreciate the position taken up by Senator de Largie. It is clear that the honorable senator is impressed with the fact that this measure proposes an inequality in the treatment of different persons, but he says that it must be left with the States Parliaments to make the legislation uniform. I remind the honorable senator that it is our duty to make our legislation uniform, and the Constitution only empowers us so to do. If we are to have legislation that is lop-sided, it must strike any honorable senator either that the Constitution which permits such a thing must be wrong—and that can scarcely be contended with respect to our Constitution—

Senator DE LARGIE.—I think that there is a defect in it.

Senator Sir JOSIAH SYMON.—Even if there is, that suits the argument I am putting to the honorable senator equally

well. If this is lop-sided legislation, and is not uniform, it is legislation that we should not pass, because the Constitution really empowers us to enact only uniform legislation. It would be a serious blemish on the Constitution if it could be said that it enabled us to provide that in respect of the same act one man should be liable to punishment and another should go scot free. It would be a very sad thing if we were to be obliged to attribute such a blot to the Constitution. I am not putting the matter as a lawyer, but as the man in the street might put it, and as it must appeal to one's common sense and moral sense. The basis of the Constitution is equality in citizenship and trade. That is its basic principle, and yet we are here asked to give it the go-bye—to discriminate, to enact an inequality, and to leave it to some other Legislature if it pleases to remedy the inequality. I have no desire to press the constitutional question further, but I point out that this Bill is one dealing with trade and commerce. It is introduced for the purpose of enabling us to give effect in a particular direction to that power conferred upon us by the Constitution to make laws with respect to trade and commerce. The only laws we can make on the subject are those which affect trade and commerce with other countries and among the States. But under cover of another power in the Constitution, enabling us to legislate in regard to a particular and specific matter, we are being asked to extend our powers of legislation in respect to trade and commerce. This is not a Bill dealing with foreign corporations or trading or financial corporations formed in the Commonwealth, but a Bill dealing with trade and commerce between other countries and among the States.

Senator TRENWITH.—Not necessarily.

Senator Sir JOSIAH SYMON.—Yes. If it is not a Bill dealing with trade and commerce it is nothing. We have no right, under a subterfuge or pretence, because there are other words in the Constitution, to say that we are going to legislate as to something else, namely, as to something which relates to the status or position of those corporations.

Senator TRENWITH.—Does the honorable senator say that we have no power to deal with anything but the status of such companies?

Senator Sir JOSIAH SYMON.—In dealing with trade and commerce we have

no power to make that an offence in one man which is not an offence in another.

Senator KEATING (Tasmania—Honorary Minister) [4.46].—I appreciate the way in which Senator Symon has approached the clause on this occasion. To a certain extent, the question that may arise under clause 8 is similar to that which was threshed out at great length on clause 5, and for that reason the honorable senator, while not altering the opinion which he then so forcibly expressed, refrained from speaking as to the constitutional power of this Parliament to deal with corporations to the fullest extent that has been claimed by us. I do not intend to deal with that matter, but to confine myself entirely to the argument which was used by the honorable senator in support of his objection to the clause. On a previous occasion he expressed his opinion on the constitutional point very emphatically, and other honorable senators, as he says, differed from him. So far as that is concerned I do not intend to refer to it. My honorable friend suggests that if the clause were carried it would lead to what might be considered an anomaly in our industrial life. For example, he suggests that a trading corporation carrying on business in a certain city and not operating outside the boundaries of the State in which it was situated would come under the penal provisions of the Bill; while on the other side of the street there might be an individual trader or a partnership or a firm, not being a corporation, carrying on a similar business; but the penal provisions of the Bill would not apply. I admit now frankly that that would be an anomalous state of affairs. But while I admit that such an anomaly might result from the passing of the clause, I do not think that we can thence necessarily argue that we are exercising powers which are not given to us by the Constitution. Let me assume that in the Bill we did not touch corporations as such at all, but confined ourselves entirely to individuals, and made penal such a thing as combination in restraint of trade or combination for the purpose of destroying or injuring, by means of unfair competition, any Australian industry? I leave out of consideration altogether the question of corporations and the power which we assume to exercise under paragraph xx. of section 51 of the Constitution. Of course, our powers with regard to individuals are confined to Inter-State trade and commerce, or trade and commerce

between the Commonwealth and outside countries. We might have on one side of a street in a city or town a man or a firm carrying on business the ambit of which was Inter-State, and by reason of the fact that he was carrying on Inter-State business, or his business was such that it brought him into trading and commercial relations with the outside world, he would come under the penal provisions of the Bill. On the opposite side of that street we might have a man conducting a business of a similar character, but which was confined wholly within the limits of the State. The Bill could not touch him. Would not that also be an anomaly? Would any one argue, from the existence of such an admittedly possible anomaly, that we were going outside our powers?

Senator Sir JOSIAH SYMON.—There is no anomaly, in that, because the one is limiting his trade to the State and the other is doing Inter-State trade. When we deal with Inter-State trade we deal equally and uniformly with all.

Senator KEATING. — Quite so; but, still, it would be an anomaly.

Senator DOBSON.—The State could rectify that anomaly.

Senator Sir JOSIAH SYMON.—That is not an anomaly because the Minister is comparing two things which are altogether different. An anomaly exists here, because we are dealing with two things which are the same.

Senator KEATING.—I will assume that in the Bill we made no provision in regard to companies as companies, that we dealt with only individuals, and that clauses 5 and 8 did not exist. We might have Jones and Company on one side of a street and Brown and Company on the opposite side carrying on a similar class of business. The business ramifications of the former firm extend beyond the State, and, therefore, it would come under the operation of the measure, but Brown and Company, who do not operate beyond the limits of the State, would not. Whether that is an anomaly or not, in the sense suggested by Senator Symon, is another thing.

Senator Sir JOSIAH SYMON.—They are both on the same footing as to their State trade.

Senator KEATING.—Let me now compare that with the other anomaly which has been given as an illustration. On one side of a street we might have Jones and Company, who are carrying on business within

touch the firm. On the other side of the street we might have Brown and Company Proprietary Limited, carrying on a similar class of business. We say that we can touch that firm simply by reason of the fact that it is a trading or financial corporation formed within the limits of the Commonwealth, or, perhaps, a foreign corporation. That may be an anomaly; I do not say that it is not.

Senator TRENWITH.—It is not a discrimination.

Senator KEATING.—It is not a discrimination.

Senator Sir JOSIAH SYMON.—Yes, it is.

Senator KEATING.—In the case of the other anomaly, it is a question of one firm carrying on Inter-State trade, and another firm carrying on trade within the State. I contend that neither anomaly argues that we are exceeding our powers in legislating in this way. But they both bring home forcibly to our mind the fact that we are working under a limited Constitution—that the complete political powers of the Australian people are distributed amongst two sets of legislative bodies—the Commonwealth Parliament on one side and the six States Parliaments on the other. In nearly every domain of legislation possible to us, we find that a limit lies somewhere. If we are going to exercise our legislative power up to the limits imposed upon us by the Constitution, there will remain beyond those limits, in many cases, a wide field for possible legislation in the States, and it will remain for the States if they desire to supplement or complement our legislation. In the case of the Commerce Bill, the same class of objection was raised. It was said that we were endeavouring to make only certain people honest when we were proposing to compel them, if they marked their goods at all, to mark them with a correct description so that the public should not be misled. It was objected then that we could deal with only imports and exports, and with Inter-State trade. We dealt with the subject, knowing that, so far as trade within a State was concerned, the State Parliament might follow our example, or refrain from doing so. The same thing applies now. I do not think we ought to argue in any case that, because what seems to be an anomaly will result, we are necessarily taking a strained or crooked view of our powers under the Constitution.

simply exercising powers which are conferred upon us not in full and unlimited terms, but in a limited fashion.

Senator DRAKE (Queensland) [4.51].—In the case of the Fraudulent Marks Bill, we did not restrict ourselves to trade between one State and another.

Senator KEATING.—I referred to the Commerce Act.

Senator DRAKE.—I thought that the Minister was speaking of the other Act, because in that case we interfered with trade within a State, and in doing so, I think we exceeded our constitutional powers. I understood the Minister to contend that if Brown had a shop in Victoria, and also a shop in New South Wales, he would come under the Bill, but clearly he would not. In each case, he would be a private trader, because his trade would be limited to the one State. It would be only so far as his operations comprehended trade between one State and another that he would come within this measure, and, as I contend, within our constitutional power.

Senator KEATING.—I said that if his trade were of an Inter-State character, he would come within the measure.

Senator DRAKE.—Then the anomaly which the Minister was pointing out, disappears entirely, because in the case I cited Brown would be confining the business of each shop to the State in which it was located. But the anomaly to which Senator Symon and others have drawn attention would be a real one. That is a case where we should have two bodies, one being a private firm and the other a corporate firm on opposite sides of a street, doing business strictly within the limits of one State. I wonder that Senator de Largie did not notice that the point of contention is as to whether we have constitutional power to pass the provision in question. The Government contend that it is conferred by paragraph xx. of section 51, but we contend that upon a true interpretation of that paragraph the power is not given to us.

Senator TRENWITH.—On what does the honorable senator rely for any limitation to that power?

Senator DRAKE.—On the power in regard to trade and commerce which is given to us in paragraph i. of section 51, supplemented by section 98, which expresses the exact limit of that power. It was very admirably pointed out by Sen-

ator Millen that we have power in regard to arbitration and conciliation in case of disputes extending beyond a State; but it has not yet been contended that, because we have power under paragraph xx. of section 51 of the Constitution in regard to corporations of various kinds, we therefore have power to bring corporations within the Arbitration and Conciliation Act.

Senator TRENWITH.—There is a specific limitation.

Senator DRAKE.—There is a specific limitation in paragraph 1. of section 51 in regard to trade and commerce, and there is a specific limitation in regard to our powers relating to arbitration and conciliation. If the contention be good that paragraph xx. gives us plenary powers in the case of corporations, so that we may extend the limits of our power in regard to trade and commerce, the paragraph would equally enable us to include arbitration and conciliation. The reasoning seems to be absolutely complete.

Senator DE LARGIE.—What is the meaning of paragraph xx.?

Senator DRAKE.—It gives us power in regard to foreign corporations and trading or financial corporations, but not so as to extend the expressed limits of paragraph 1 in regard to trade and commerce. When a reading of the Constitution produces such a startling anomaly as that a man trading on one side of the street is exempt from the law, while a corporation trading in exactly the same way on the other side is within the law, we doubt the correctness of the interpretation.

Senator DE LARGIE.—It is an anomaly, but it is not due to any discrimination by us.

Senator DRAKE. — There is no anomaly if my reading be adopted, namely, that we have power over foreign corporations and trading or financial corporations within a State, but not so as to enlarge the power conferred by paragraph 1. of section 51 of the Constitution. With regard to trading operations, not of any particular individuals, but as between one State and another, or between a State and countries outside Australia, we have absolute power; but the whole power with regard to trading within a State belongs to the State. There we see the harmony of the Commonwealth Constitution; each State is a separate sovereign State, the Government under each State Constitution having full power with regard to all

trade within the State. To follow Senator Keating again, the underlying principle of the Constitution is that matters which can be more efficiently dealt with by the Commonwealth Government are handed over to the Commonwealth Government. What are they? They are matters in which the interest of one State impinges on the interest of another. It may be merchandise marks, or laws relating to trade and commerce—such a law as is now under discussion—where the interests of two States, or the interests of a State and the interests of an outside community, impinge. The Commonwealth then steps in and takes charge. But the genius of the Constitution is that everything in a State shall be within the power of the State Government under the State Constitution. The burden rests on the honorable senators who take an opposite view from myself to show that their interpretation does not lead to anomalies such as would constitute almost an absurdity, and be absolutely contrary to the underlying principle of the Constitution.

Senator CROFT (Western Australia) [5.7].—It will be remembered that, in the course of the second-reading debate, Senator McGregor, and afterwards Senator Guthrie, mentioned the United Shoe Machinery Company, and pointed out that it never actually sells its machines, but hires them out on the royalty system. It was pointed out then that if a manufacturer found it necessary to employ, say, half-a-dozen extra machines, he must get them from the company on the terms I have indicated, no manufacturer being allowed to employ machines of any other make. Senator McGregor, in the course of his remarks, mentioned the case of Mr. Best, a well-known boot manufacturer of Melbourne, who, on one occasion, installed a machine, or machines, the product of some other company, and who immediately received notice that the United Shoe Machinery Company proposed to withdraw from his establishment their machines held by him. Subsequently, in an affidavit, which has been laid on the table of the Senate, Mr. Best denied that the United Shoe Machinery Company had withdrawn their machines for the reasons stated. I have in my possession an accurate copy of an agreement, not such an agreement as Mr. Best signed, but one which is handed to every manufacturer who desires to use any of the welting or stitching machines owned by the United Shoe Machinery Company.

In this agreement it is distinctly laid down that, when a manufacturer purchases one set of machines, he must, if he can, use them to their fullest capacity, and that, if at any time he finds the work more than the machines in his possession will perform, he must not purchase any machine from any other manufacturer, but must obtain what he requires from the United Shoe Machinery Company. According to the actual wording of the agreement, there is nothing to prevent a manufacturer doing the work by hand; but, in these days of machinery, such a concession need not be seriously considered. The documents which have already been laid upon the table in this connexion indicate perjury on the part of some person somewhere.

Senator MILLEN.—Do I understand the honorable senator to say that the agreement in his possession is not the agreement that Mr. Best signed?

Senator CROFT.—It is not the identical agreement that Mr. Best signed, but an agreement handed to me by another manufacturer, whose name, for obvious reasons, I am not at liberty to mention, though I may say that he is a constituent of Senator MilLEN.

Senator MILLEN.—All that the honorable senator is saying is that this is an agreement signed by somebody.

Senator CROFT.—It is signed by every manufacturer who—

Senator MILLEN.—Do I understand that the honorable senator cannot affirm that Mr. Best signed it?

Senator CROFT.—That is so.

Senator MILLEN.—Then this agreement has no bearing on the affidavit that Mr. Best made?

Senator CROFT.—I do not want to give Mr. Best, or any one else, another opportunity to reply in the left-handed way adopted before. I do not want to enable Mr. Best to swear an affidavit that he did not sign this particular agreement; but I say that every manufacturer, including Mr. Best, who requires certain machinery from the United Shoe Machinery Company must sign a similar document.

Senator MILLEN.—Is Mr. Best not a manufacturer?

Senator CROFT.—He is.

Senator MILLEN.—First the honorable senator says that the agreement must be signed by every manufacturer, and then he says that Mr. Best did not sign it.

Senator CROFT.—I do not know that Mr. Best ever required the machinery

specially mentioned in this agreement, but if he has the machinery then he has signed an agreement similar to this.

Senator MILLEN.—Then the agreement can have no bearing on Mr. Best's affidavit.

Senator CROFT.—The agreement is as follows:—

UNITED SHOE MACHINERY COMPANY.

GOODYEAR LOCK-STITCH OUTSOLE STITCHING MACHINE SET.

Lease and License, No.

This lease and license, made this day of 190 , between United Shoe Machinery Company, a Corporation organized under the law of the State of New Jersey, United States of America, having its principal Australian office at Sydney, New South Wales (hereinafter referred to as the lessor) of the one part, and of (hereinafter referred to as the lessee, of the other part :

Witnesseth that the lessor in consideration of the covenants and agreements on the part of the lessee herein contained doth hereby lease unto the lessee and license the lessee to use under any patents affecting any invention which are or hereafter shall be embodied in any of the machines hereinafter designated and belonging to the lessor or under which the lessor has the right to grant a license, the machine or machines of the Goodyear department, of the lessor, designated by number or numbers in the following schedule:—

SCHEDULE OF MACHINES.

Goodyear Welt and Turn Shoe Machine No.
Goodyear Universal Inseam Machine, No.
Goodyear Bobbin Winder (Universal), No.
Goodyear Outsole Rapid Lockstitch Machine No.
Goodyear Bobbin Winder (Rapid), No.
Extension Edge Attachment (A), No.
Extension Edge Attachment (B), No.
Welt Beveling Attachment, No.
Goodyear Welt Sewing Machine (D), No.
Goodyear Channeller (Turn), No.
Goodyear Channeller (Insole), No.
Goodyear Channeller (Outsole), No.
Goodyear Universal Welt Beater, No.
Goodyear Universal Shank Skiving Machine No.
Goodyear Universal Inseam Trimming Machine No.
Goodyear Universal Rounding and Channelling Machine, No.
Goodyear Channel Opening Machine, No.
Goodyear Automatic Sole Levelling Machine, No.
Goodyear Rotary Sole Laying Machine, No.
Haddaway Stitch Separating Machine, No.
Goodyear Channel Laving Machine, No.
Goodyear Flexible Sole Machine, No.
Goodyear Moulding Machine, No.
Goodyear Turn Shoe Trimming Machine, No.
Goodyear Lip Turning Machine, No.
Goodyear Direct Levelling Machine, No.

All these make one complete set of machines in what is known as a "room" in a factory—

and all or any of the machines mentioned in the above schedule that may hereafter be delivered

by the lessor to the lessee and any duplicate parts, extras, mechanisms, tools, and devices relating thereto, or used in connexion therewith, now attached or delivered with the said designated machine or machines respectively, or which may at any time hereafter be obtained from the lessor or be added thereto by or with the consent of the lessor (the whole of the machine or machines, duplicate parts, extras, mechanisms referred to as "the leased machinery") subject to conditions hereinafter contained.

And that the following are agreed to as lease and license of the leased machinery, each and all of which the lessee hereby covenants with the lessor to keep and perform,

Then follow the terms of the agreement—

One.—The lessee shall pay to the lessor immediately after the execution thereof of the sum of £ , as a "lease premium," and a further sum of £ , as an "installation fee," the lessee shall also pay the cost of carriage of the leased machinery from to the place of installation of machinery. The lessee shall further pay to the lessor during the continuance of this lease and licence a monthly rent for the use or hire of the leased machinery determined in accordance with the terms of clause 7 thereof.

Two.—The leased machinery is and shall remain the sole property of the lessor, and the lessee shall have no right of property therein, but only the right to use the same upon the condition herein contained. The leased machinery shall only be used by the lessee or by operatives in his direct employ, and only in the factory now occupied by him at , and shall not be removed from such factory without the written consent of the lessor. The lessee shall obtain from the landlord of the said factory, and shall hand to the lessor on the execution of this lease and licence a binding undertaking signed by such landlord, not to distrain or attempt to distrain upon the leased machinery or any part thereof for rent or other sums of money which may at any time be due to him from the lessee. The lessee shall not assign, mortgage, pledge, or sublet the leased machinery, or any part thereof, nor attempt to do so, or allow any other person, firm, or corporation to use it, whether for or without any consideration, nor transfer all or any rights under this lease and licence without the written consent of the lessor first had and obtained; nor shall the lessee take any steps or do any act tending towards such results, or towards a removal of the leased machinery.

Three.—The lessor and its agents and employés shall at all times have access to the leased machinery for the purpose of inspecting it, or watching its use and operation, or of altering, repairing, improving, or adding to it, or determining the nature or extent of its use, and the lessee shall afford all reasonable facilities therefor.

Four.—Without the written consent of the lessor the lessee shall not himself or shall be allowed or suffer any other person, firm, or corporation to make any addition, subtraction, change, or modification whatever to, from, or in the leased machinery or its regular working condition; or injure, deface, or remove any plates, ciphers, numbers, or inscriptions now or here-

after impressed on or affixed to the leased machinery by the lessor or its agents.

Five.—The lessee shall at all times during the continuance of this lease and licence, at his own expense, keep the leased machinery in good and efficient working order and condition, and shall obtain exclusively from the lessor, and shall pay therefor at the regular prices from time to time established by the lessor, all the duplicate parts, extras, mechanisms, and devices of every kind, needed or used in operating, repairing, or renewing the leased machinery. Such duplicate parts, extras, mechanisms, and devices shall be held by the lessee under the terms of this lease and licence as part of the leased machinery, and shall remain the property of the lessor.

Six.—The lessee shall pay all rates, taxes, assessments, and outgoings which may be levied upon or in respect of the leased machinery, or in respect of the lease and licence, or the right of payment hereunder upon whomsoever assessed or upon the said lessor in respect of royalty moneys hereby made payable.

Seven.—The lessee shall pay the lessor monthly as and by way of rent for the use or hire of the leased machinery during the continuance of this lease and licence at the rate of twopence half-penny for each and every one thousand revolutions made by the main cam shaft of the Goodyear Outsole Rapid Lockstitch Machine hereby leased and licensed as indicated or registered by the indicator attached to such machine by the lessor. The said rent for all revolutions of the cam shaft which have taken place during each calendar month shall be paid by the lessee on or before the fifteenth day of the next following month.

Eight.—The lessee shall use the leased machinery to its full capacity so far as the manufacture of boots, shoes, or other footwear made in his factory will permit, and in case the lessee has more work of the kind than the leased machinery is capable of performing, the lessee shall lease from the lessor a sufficient number of similar machines under leases and licenses similar to these presents, to perform the whole of such additional work, or such part thereof, as shall not be done by hand. The leased machinery shall not be used except in the manufacture of boots, shoes, or other footwear known in the trade as "Goodyear welted," which are or shall be welted and soles stitched, on welt sewing and stitching machines leased to the lessee by the lessor, and upon all of which stitching machines the lessee is continuing to pay to the lessor rental at the rates assessed by the lessor.

Senator MULCAHY.—Is all this relevant to the clause?

Senator CROFT.—Quite.

Senator WALKER.—Is there very much more of it?

Senator CROFT.—If the honorable senator had objected when Senator Pulsford was reading an affidavit with regard to this same question, it would have saved me from the task of reading the documents.

Nine.—On or before the fifth day of each calendar month the lessee shall furnish to the

lessor upon forms or in books to be supplied by the latter, an exact statement of the revolutions of the cam shaft of the Goodyear Outsole Rapid Lockstitch Machine, hereby leased, which have taken place during the preceding calendar month. The lessee shall sign these monthly statements, and, if so requested by the lessor, verify the same by statutory declaration. If the said Goodyear Outsole Rapid Lockstitch Machine has remained idle during the whole or a part of any month, the lessee shall make mention thereof on the said statement, and upon the request of the lessor give a full information and explanation regarding the causes thereof.

Ten.—The lessor may attach to the leased machinery, or any part thereof, an indicator or indicators to register the number of revolutions or movements of any part or parts thereof, and the lessee shall not himself nor shall he allow or suffer any person (other than the lessor or its agents) to disturb or interfere with any indicator or indicators attached to the leased machinery or any part thereof. In case any indicator thus attached no longer registers accurately or is disturbed or out of repair, or the glass covering the dial of any such indicator is removed or broken or injured, then and as often as the same shall happen, the lessee shall immediately give notice thereof in writing to the lessor, and at the same time explain the circumstances under which the same has happened; and in such cases and for so long a time as the indicator fails to indicate or register accurately, or remains disturbed or out of repair, or the glass covering the dial is removed, broken, or injured, the lessee without prejudice to any other rights of the lessor hereunder, shall pay to the lessor as rent, instead of the sum fixed in clause 7 hereof, the sum of threepence per pair for each pair of boots or shoes or any part thereof, in the manufacture whereof the leased machinery or any part thereof shall have been used. Independently of any indicators that may be placed upon the leased machinery, the lessee shall keep full and accurate accounts showing the number of boots and shoes or parts thereof in the manufacture of which the leased machinery or any part thereof shall be used, and shall allow the lessor at all times by its agents to examine and to take copies of such accounts, and the lessee if so requested by the lessor shall verify the same by statutory declaration. In addition, all book entries and accounts whatsoever made or kept by the lessee, which may serve to indicate the number of boots and shoes made by the aid of the leased machinery or any part thereof, shall at all reasonable times be open to the inspection of the lessor or its authorized agents, and the lessee shall produce all such books and accounts upon request, and shall, if so required by the lessor, verify the same by statutory declaration.

And that the following agreement, stipulations, and provisions are agreed to:—

Eleven.—The lessee admits the validity of each and every of the letters patent and certificates of Provisional Protestation granted to or held or owned by the lessor, either now or at any time during the currency of this lease and license, or under which the lessor is or shall be authorized to grant a license affecting any of the inventions which are or hereafter may be embodied in the leased machinery. The lessee also agrees that

Senator Croft.

he will not directly or indirectly infringe or contest the validity of any of the said patents or certificates, or the title of the lessor, or the lessor's licensors thereto. In case any of the patents now or hereafter owned by the lessor, or under which the lessor is or may hereafter be authorized to grant a license, should expire or be declared invalid, this lease and license shall be in no way affected thereby, nor shall the termination or cesser of this lease and license from any cause whatever affect in any way the provisions of this clause, or release, or discharge the lessee from the admission and estopped herein set forth.

Twelve.—Any breach or default on the part of the lessee in respect of any of the conditions herein contained, or of any of the conditions contained in any other lease and license for the time being existing between the lessor and lessee whether as the result of assignment to the lessor or otherwise, or the insolvency or bankruptcy of the lessee, or the making of a receiving order against him, or the execution by him of any bill of sale, deed of trust, or assignment for the benefit of his creditors, or the making of any composition or arrangement with his creditors, or the levying or attempted levying of any distress, execution, or attachment upon the leased machinery or any part of it, or upon any of the property of the lessee, shall entitle the lessor, at its option, to cancel and terminate forthwith this lease and license, and all or any other lease and licenses then existing between the lessor and the lessee, whether as the result of assignment or otherwise, notwithstanding that previous breaches or defaults may have been unnoticed, waived, or condoned by or on behalf of the lessor. Notice of such cancellation and determination shall be given in writing, signed by the President or Vice-President, the Treasurer, or the Australian manager of the lessor, and either delivered or posted by registered letter to the lessee's usual or last known place of residence or business. Such notices shall take effect from date of posting or delivery, as the case might be. Any cancellation or termination of this lease or license shall not release the lessee from his obligation to pay the rent hereby reserved for the period prior to such cancellation or termination, or to pay for duplicate parts, extras, mechanisms, tools, and devices delivered prior thereto, and shall be without prejudice to any other rights and remedies which the lessor may have for breach of contract use of machines without right or use of patented inventions without license.

Thirteen.—This lease and license shall continue unless sooner terminated by the lessor because of breach thereof on the part of the lessee or otherwise as herein provided for twenty years from the date hereof, but the lessor may at any time, at its option, cancel this lease and license by giving sixty days' notice of its intention so to do, given in writing in the form and in the manner described in the last preceding clause hereof. Such notice to take effect sixty days from the date of posting or delivery, as the case may be. In case this lease and license shall thus be cancelled within six years and eight months from the date hereof, then within twenty days of the receipt by the lessor at its office at _____ of the leased machinery complete and in good order and condition, the lessor shall

credit the lessee's account with a sum equal to the "lease premium" paid by the lessee, less a discount therefrom at the rate of fifteen per cent. per annum for each year or fraction thereof that shall have expired from the date hereof until such receipt of the leased machinery, and less a sum equal to the cost of originally conveying the said leased machinery to the factory or premises of the lessee, the cost of erection of the same at such factory or premises, the cost of instructing the lessee, his operatives, servants, or employés in the proper use of the leased machines, or if there should be no account between the lessor and the lessee, then the lessor shall pay to the lessee a sum equal to the "lease premium," less such discount and deductions as aforesaid.

Fourteen.—Upon the expiration or termination of this lease and license, or an extension thereof, from any cause whatever, the lessor shall be immediately entitled to the possession of the leased machinery, free from all claims or demands whatsoever, and the lessee shall forthwith at his own expense deliver the leased machinery and all parts and accessories relating thereto or used therewith complete and in good order and condition to the lessors or its office at

The lessee hereby grants by way of easement or right to the lessor, its successors and assigns, and such workmen or others may be authorized by the lessor or its successor or assigns for that purpose, full right, power, and authority to enter upon the said premises at aforesaid, and in every part thereof where the leased machinery or any part thereof may be, and take possession of the leased machinery, and take away the same, at the cost, risk, and peril of the lessee, and the lessee, in addition and without prejudice to any other rights and remedies of the lessor hereunder, shall thereupon pay to the lessor such sum as may be necessary to put the leased machinery in good and complete order and condition. And the lessee hereby for himself, his heirs, administrators and assigns (including his sub-lessee or tenants), covenants with the lessor, its successors, and assigns, and to the intent that these covenants shall run as a burden binding said premises that the lessor, its successors and assigns shall at all times during the continuance of this lease and license, or so long as the leased machinery or any part thereof shall remain or be in or upon the said premises possess and be entitled to use and exercise such easement or right as aforesaid.

Fifteen.—If upon the expiration of the full term of this lease and license, the lessor does not request the return of the leased machinery, and the lessee does not return the same, then this lease and license shall be extended indefinitely as to term, and the leased machinery shall continue to be held and used under and in accordance with the conditions hereof. But hereafter either the lessor or the lessee upon sixty days' notice in writing to the other may terminate this lease and license, whereupon the leased machinery shall be delivered forthwith to the lessor as hereinbefore provided.

Sixteen.—None of the terms or conditions of this lease and license shall be held to have been waived by any act or knowledge of the lessor, its agents, or employés, but only by an instrument

in writing, signed by the president, or vice-president, the treasurer, or the Australasian manager of the lessor.

Seventeen.—The term "lessor" shall include the said United Shoe Machinery Company, and its successors and assigns. All conditions and agreements binding on the lessee shall be binding on and enforceable against his legal representatives. In the construction of this instrument words relating to the number and gender of the parties shall be read according to the real number and gender, and when the lessees consist of several persons, and they sign this instrument either individually or by a firm name, such signature or signatures shall bind all of them both jointly or severally, to all the obligations on the part of the lessee herein contained. In all cases in which the lessee is a corporation, the provisions contained in clause 12 hereof as to the lessee becoming insolvent or bankrupt shall apply also to the issuing by such corporations of any notice convening any meeting with a view to or any petition being presented for the winding up of such corporation.

Senator O'KEEFE.—I should like to move that the paper be laid on the table of the Senate, and printed.

The CHAIRMAN.—I do not think that the honorable senator would be in order in moving such a motion in Committee.

Senator Lt.-Col. GOULD (New South Wales) [5.38].—I think it would be rather novel if an honorable senator were permitted to get up in the middle of a debate and move that a document be printed. I presume that Senator Croft read the document with the idea that it would be printed in *Hansard*, and that honorable senators should have an opportunity to read it. But we have something much more important to consider than whether a particular agreement is reasonable or unreasonable. What I wish honorable senators to determine is whether it was ever contemplated that under the Commonwealth Constitution there would be any difference in the treatment of different bodies under the laws that we saw fit to enact. For my present purpose I assume that the provision we are now considering is within our powers under the Constitution, although later on I shall show that according to my view it is entirely beyond them. I assume, for the sake of argument, that it is within our powers, and I then take up the position that the Constitution was not granted to us in order that we might differentiate in our laws between corporations and private individuals, or between private individuals and States. I think it will be admitted from a review of the whole scope of the Constitution that it was never intended that we should pass

its operation in any way whatever. If honorable senators will turn to paragraph 11. of section 51 of the Constitution they will find that it reads—

Taxation; but so as not to discriminate between States or parts of States.

So that in that respect our legislation, whatever it may be, must be uniform in its application. But if the contention of honorable senators is that we can read one paragraph of the section into another, it might be contended that paragraph 11. can be read into paragraph 22. dealing with foreign corporations, and trading or financial corporations formed within the limits of the Commonwealth in such a way as to provide that those corporations might be the subject of taxation in a special way. It is contended that paragraph 1. of section 51 can be read into paragraph 22. so as to enable us to control the operations of corporations trading within a State. If that reasoning be sound it might be contended that we could have one form of taxation applicable to private individuals and another applicable to corporations and trading companies. Honorable senators will agree at once that that would be unjust.

Senator TRENWITH.—We can have taxation of corporations as corporations just as we have taxation of publicans as publicans.

Senator Lt.-Col. GOULD.—We specially tax the publican because we give him special privileges with respect to the sale of liquor, and so on, that are not given to other persons. But would it not be very unjust to say that we shall put a special tax upon corporations which shall not be imposed on individuals or persons in partnership who have not registered themselves as corporations? There might be a partnership of ten, twenty, or thirty individuals who would escape such taxation, whilst if they agreed that it would be better that they should become incorporated, the same people would become liable to the taxation. If honorable senators will look at section 99 of the Constitution they will find that it is there provided that—

The Commonwealth shall not by any law or regulation of trade, commerce, or revenue, give preference to one State or any part thereof over another State or any part thereof.

There, again, we have evidence of the spirit of the Constitution—that there should be no preference and no differentiation. It may be contended that that deals only with

with the States themselves. But if it be the intention of the Constitution to prevent the States from being unfairly dealt with, surely it is equally the intention that individuals and corporations should be placed in the same position?

Senator TRENWITH.—We do not propose to deal unfairly with anybody.

Senator Lt.-Col. GOULD.—I say that in this Bill we are being asked to go against the intent and spirit of the Constitution. I am assuming, for the sake of argument, that what is here proposed can be done, but I say that it is against the spirit of the Constitution to attempt to do anything of the kind.

Senator BEST.—Does the honorable and learned senator contend that we could not levy a special tax upon a foreign corporation?

Senator Lt.-Col. GOULD.—I say that it is not the intention of the Constitution to give us the power to deal differentially in our legislation.

Senator BEST.—Does the honorable and learned senator commit his reputation to the contention that we have not the power to impose a special tax on a foreign corporation?

Senator Lt.-Col. GOULD.—If Senator Best had followed my argument he would have seen that I am contending that it is unjust, and that it is entirely against the spirit and intention of the Constitution to make any discrimination either in respect of taxation or any other matter. At present I am assuming that the Commonwealth Parliament has the power to do what is proposed. By-and-by I propose to point out that in my view we have no such power. I need not weary honorable senators by going through the various sections of the Constitution, but we know that originally the object of Federation was to enable the Commonwealth authority to have power to deal with all matters of general concern affecting the States forming the Federation. It was not intended that we should interfere with States rights, except where that power is specifically set forth, and it is set forth only with respect to matters which can be better dealt with by the Commonwealth than by the individual States, which would perhaps adopt diverse legislation to deal with the same subject.

Senator BEST.—We are not interfering with States rights, but are exercising our powers under the Constitution according to

the honorable and learned senator's own assumption.

Senator Lt.-Col. GOULD.—I am assuming that we have the power proposed, but at the same time I am pointing out that the spirit and intention of the Constitution are that the Commonwealth Parliament shall take in hand only such matters as can be better dealt with by it, as representing the whole of the States, than by the individual States. These are matters of universal concern affecting outside persons, and upon which it is better that our legislation should be uniform. In this case I ask whether it is fair or just to say to the persons forming a corporation, "Because you are a corporation you shall be placed under certain limitations and restrictions which would not apply to you if you were trading as individuals"? I say at once that it is against the spirit and intention of the Constitution that we should pass any legislation of the kind. I say further that it is a most unwise thing for us to do. If the proposed law is within our power, it is still unwise for us to attempt to pass it, for the simple reason that by so doing we shall be discriminating, and may bring about a conflict between the Commonwealth and the States. While we may possess very great powers, it will be admitted that it is better that they should not be pressed to the breaking point, causing difficulty and friction. In view of the feeling existing between the Commonwealth and the States at the present time, it is well that the rights of each should be respected. I now come to consider whether what is proposed is really within our powers under the Constitution, and, with all due respect to Senator Best and the authorities cited by that honorable and learned senator, I think that we are here being asked to go entirely beyond our powers. Senator Baker, dealing with the question the other day, referred to the history of the paragraphs of section 51 of the Constitution, and, dealing with paragraph xx., explained that the omission of the reference to the "status" of foreign corporations and trading or financial corporations formed within the limits of the Commonwealth was only regarded as a drafting amendment.

Senator TRENWITH.—Each one of the thirty-nine paragraphs of section 51 confers legislative power absolutely.

Senator Lt.-Col. GOULD.—Of course it does: but the question is how far it confers power.

Senator TRENWITH.—Where no limitation is expressed, as far as we like to go.

Senator Lt.-Col. GOULD. — Senator Baker told us that the whole of the debate with respect to paragraph xx. of section 51 had been with regard to the status, position, and creation of corporations, and that when the matter was taken on a step further, and the alteration made, it was accepted as a drafting amendment, and was never meant to cause a departure from the original intention of the framers of the Constitution. Senator Drake, in his contribution to the debate, also quoted largely the history of the matter, going back to the Convention of 1891. We have, therefore, had the intention of the framers of the Constitution in this matter placed clearly before us. I admit at once that where a section of a Statute is absolutely clear and distinct the Court will construe it according to the words used, assuming that the Legislature intended the ordinary construction to be placed on those words. It then becomes necessary to inquire whether there is any doubt or difficulty in regard to the matter, and I ask honorable senators if there is any doubt or difficulty here. If there is, we may depend on it that it will not be taken to drive the law to an extreme; but, on the contrary, an attempt will be made to bring everything into harmony. If we are dealing with trade we have only limited powers. Whatever subsequent paragraphs of the section may provide with respect to foreign corporations, and trading and financial corporations. I hold that, so far as our power to deal with trade and commerce is concerned, it is covered and controlled by paragraph 1 of section 51 of the Constitution. Senator Trenwith may shake his head. But looking at paragraph 1 of section 51, under which we are given power to make laws for the peace, order, and good government of the Commonwealth with respect to—

Trade and commerce with other countries and among the States—

I hold that we are limited by that paragraph in our legislation dealing with trade and commerce.

Senator TRENWITH.—Each one of the thirty-nine paragraphs of section 51 gives us the power to legislate for the peace, order, and good government of the Commonwealth.

Senator Lt.-Col. GOULD.—With respect to what?

Senator TRENWITH.—In this instance foreign corporations and financial trusts. The honorable senator has mentioned only one of the paragraphs of the section.

Senator Lt.-Col. GOULD.—The intention of the Constitution was to give us the power to legislate with regard to trade and commerce, and that power of legislation is limited to trade and commerce with other countries, and among the States. That is the provision under which this Bill has been introduced at the present time.

Senator BEST.—I, for one, do not admit that.

Senator TRENWITH.—It is introduced under section 51, which includes the whole of the thirty-nine articles.

Senator Lt.-Col. GOULD.—Then will the honorable senator tell me that it would be reasonable to deal in this Bill with the question of "Naturalization and aliens," which I find in paragraph XIX. of section 51? Of course, each of these paragraphs is intended to be taken separately. When honorable senators tell me that, by virtue of paragraph xx. we can bring about a different system of dealing with trade and commerce than that specified in paragraph 1., I submit, with all due respect, that if ever the matter is decided by the High Court, those who hold that view will find that they are absolutely wrong. I admit that in this I am adopting the dangerous course of prophesying before the event. Paragraph xx. gives the power to make laws for the peace, order, and good government of the Commonwealth with respect to—

Foreign corporations and trading or financial corporations formed within the limits of the Commonwealth.

But I say that our power, so far as trade and commerce is concerned, is unmistakably limited by paragraph 1. of section 51. If we had not the power given us under paragraph 1. to deal with trade and commerce with other countries, and among the States, we should not be able to deal with trade or commerce at all under this Bill.

Senator BEST.—Oh!

Senator Lt.-Col. GOULD. — I say we should not, because we have provision as to what we can do in connexion with trade and commerce set out in paragraph 1.

Senator TRENWITH.—We are dealing with the Constitution as it is.

Senator Lt.-Col. GOULD.—That is so; but every honorable senator is aware that the Commonwealth Parliament is a limited

Parliament. It does not exercise supreme control over the whole of the Commonwealth, as the Canadian Parliament does over the whole of the Dominion of Canada.

Senator TRENWITH.—It does within the limits of section 51.

Senator Lt.-Col. GOULD.—We have supreme power within the limits of section 51, but perhaps the honorable senator will agree with me that if paragraph xx. of section 51 had been omitted, there would have been no provision under which foreign trading corporations could be dealt with. On the same line of reasoning we derive our power in regard to trade and commerce from paragraph 1. If, apart from paragraph 1. we have any power to deal with trade and commerce, as Senator Best would lead us to suppose, then the moment it was exercised it would introduce a limitation, and that limitation could not be extended by any indirect process of reasoning. I feel quite satisfied that under the trade and commerce power we cannot deal with either men or corporations when they are merely trading within the limits of a State, because that jurisdiction is reserved to the State. I hope that honorable senators will treat all persons and bodies alike as far as they possibly can.

Senator TRENWITH.—In the Bill, every one who becomes a corporation will be treated in exactly the same manner.

Senator Lt.-Col. GOULD.—The honorable senator knows as well as I do that if a number of persons form themselves into a partnership they can enter into exactly the same class of trade or business as a corporation. He holds that, because they have not become a corporation, therefore they are not liable to the penalty prescribed for an offence under the Bill; but a corporation is so liable. Does he not perceive that a corporation is merely a collection of persons who, for business purposes, get themselves incorporated by Act of Parliament or registered under a Joint Stock Companies Act? It is manifestly unjust to enact that, because those persons have formed themselves into a corporation, they shall be liable to certain restrictions in trade to which they would not have been liable if they had remained merely a partnership. It may be argued that there is a difference of opinion on that point, and that, therefore, we should enact the legislation and leave it to the High Court to determine its constitutionality. I

entirely object to legislating on that line. We, as representatives of the people, ought to satisfy ourselves first that a proposal is reasonable, and, secondly, that, if reasonable, it comes within the scope of our legislative powers. In my opinion, this proposal is unreasonable, and contrary to the spirit of the Constitution, and, therefore, it should not be enacted. I go further, and contend that it is beyond the powers conferred upon us by the Constitution, and that even if it were not, it would be most dangerous and undesirable, if it were passed, in its present form.

Question—That the clause stand part of the Bill—put. The Committee divided.

Ayes	...	...	15
Noes	...	...	12
			—
Majority	...	...	3

AYES.

Best, R. W.	O'Keefe, D. J.
Croft, J. W.	Playford, T.
de Largie, H.	Stewart, J. C.
Findley, E.	Story, W. H.
Henderson, G.	Styles, J.
Higgs, W. G.	Trenwith, W. A.
Keating, J. H.	Teller:
McGregor, G.	Givens, T.

NOES.

Baker, Sir R. C.	Pulsford, E.
Dobson, H.	Smith, M. S. C.
Drake, J. G.	Symon, Sir J. H.
Gould, A. J.	Walker, J. T.
Macfarlane, J.	Teller:
Millen, E. D.	Turley, H.
Mulcahy, E.	

PAIRS.

Pearce, G. F.	Clemons, J. S.
Fraser, S.	Neild, J. C.
Dawson, A.	Gray, J. P.

Question so resolved in the affirmative.

Clause agreed to.

Clause 9—

Whoever aids, abets, counsels, or procures, or by act or omission is in any way, directly or indirectly, knowingly concerned in or privy to—

(a) the commission of any offence against this part of this Act; or

(b) the doing of any act outside Australia which would, if done within Australia, be an offence against this part of this Act,

shall be deemed to have committed the offence.

Penalty: Five hundred pounds.

Senator Sir JOSIAH SYMON (South Australia) [5.54].—Does the Minister think it desirable to introduce into the clause the words “or omission”? How can a man by omission aid or abet anything; or how can he by omission be knowingly concerned in or privy to anything?

Senator GIVENS.—Suppose that an officer who was charged with the duty of

seeing that the Act was administered omitted to do something?

Senator Sir JOSIAH SYMON.—I feel quite certain, as I have said in regard to other clauses, that the retention of the words can only tend to make the measure more unworkable. The draftsman has put in words which in their association seem to me to be meaningless, and can only tend to embarrass this provision, with the object of which I entirely agree. I ask the Minister whether he thinks that the words are necessary, and, with a view to afford him an opportunity to give a clear explanation, I move—

That the words “or omission,” line 2, be left out.

Senator KEATING (Tasmania—Honorary Minister) [5.56].—The words contained in this aiding and abetting clause are, I think, speaking from memory, words which have appeared in the corresponding provisions of several Acts. I do not know that there is any very strong reason why we should deviate from a well-established form of draftsmanship.

Senator Sir JOSIAH SYMON.—But where is the well-established form?

Senator KEATING.—For instance, in the Electoral Act we make provision for aiders and abettors of offences to be equally punishable with the offenders.

Senator Sir JOSIAH SYMON.—That is quite correct; but not by omission.

Senator KEATING.—I am not prepared at a moment's notice to enumerate the number of cases which might occur, and which could only be covered by the word “omission.” I propose to give an illustration of the possibility of the commission of an offence by omitting to do a certain act. In clause 4 we provide that—

Any person who either as principal or as agent, makes or enters into any contract, or is or continues to be a member of or engages in any combination, &c.

Let us assume that a man is being prosecuted for continuing to be a member of a combination. Suppose that a number of persons were in a combination prior to the passing of this measure, and that one or either of them simply omitted to dissociate himself from the others, and so break up the combination.

Senator MILLEN.—Then he would still be a member of it.

Senator KEATING.—Yes; but, as I said just now, I am merely illustrating that it is possible for an offence to be committed by an act of omission.

make him an aider or abettor.

Senator KEATING.—No. Unless we have very good reason for departing from a well-established form of drafting, we ought to retain the words "or omission," so that the clause may cover all possible kinds of aiding and abetting. I do not know, as I said at the outset, that I could enumerate the instances which the use of the word might cover, and which otherwise the clause would not meet. The illustration I give is an illustration of the commission of the primary offence by omitting to do a certain Act, and not the commission of the offence of aiding and abetting. It is quite conceivable, and I think that honorable senators can very readily realize, that in many instances in which a man might aid and abet the commission of an offence, it would not be by active interference, but by omission to perform a duty which had been cast upon him.

Senator Lt.-Col. GOULD.—Suppose that a man omitted to give information about the existence of a combination, would that render him liable to the infliction of a penalty?

Senator KEATING.—I think not. Even if it were possible or reasonable to say that it is not likely a man could be guilty of an offence of aiding and abetting by omission, what is there to be gained by omitting the words?

Senator Sir JOSIAH SYMON.—That is not what the Bill says; the offence is not aiding and abetting by omission, but being, by omission, "knowingly concerned."

Senator KEATING.—A person by omission may be directly, or indirectly, counselling or procuring the commission of an offence. Would the clause not reach a person who was responsible for the issue of a periodical or newspaper, and who, by an omission, was knowingly concerned in counselling or procuring the commission of an offence? I make this suggestion as an illustration for the consideration of honorable senators. It seems to me quite possible that in many cases a man may, by omission, be knowingly concerned in counselling or procuring the commission of an offence, and, if so, he ought to come within the provisions of the law.

Senator Lt.-Col. GOULD (New South Wales) [6.2].—Can Senator Keating point in this Bill to any duty cast on an individual to give information in regard to those offences? The offences are entering into a

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Amendment nega

Clause agreed to
Clauses 10 to 16

Senator Sir JOS
Australia) [6.7].—I

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follow clause 16:—

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mentary Draftsman, in the event of its being passed, think it desirable, that it should appear in some other part of the Bill. I submit the clause in order to afford an opportunity to give some practical effect to the desire so frequently expressed to establish a preference for the mother country. The present is a particularly valuable opportunity to give expression to our views in this regard, if we are in earnest about them. There has been a great deal of talk on the subject of preference to Great Britain.

Senator GIVENS.—The honorable senator does not believe in preference to Great Britain.

Senator Sir JOSIAH SYMON.—Most emphatically I do, though my method of affording preference may be not that which the honorable senator would adopt. On many platforms and on many occasions, we have heard much eloquent talk in favour of preference to the manufactures of the mother country. In England, politicians and statesmen, in order to change the fiscal system of the mother country, have made use of what they believe to be the strong and crystallized sentiments in favour of preference. Those statesmen and politicians have spoken of "offers" from Australia in this connexion, though I am not aware that any definite offers of the kind have been made by any responsible public man in Australia to justify the statements which have been circulated in Great Britain and Ireland during the last three or four years. I think that many of those statements have been unjustifiable; but, at any rate, a Bill of this description presents an opportunity of which we may avail ourselves in order to show that when we are legislating in this extremely drastic way to prevent or prohibit importations into this country from oversea—

Senator TRENWITH.—With the intention to destroy an Australian industry.

Senator Sir JOSIAH SYMON.—If the honorable senator will allow me to proceed, he will. I think, admit that my view is the correct one. When we are legislating for the purpose of preventing or prohibiting the importation into this country of goods which may enter into successful competition with the goods of traders or manufacturers in this country—because that is what is meant by injury—we have an opportunity to provide that the law shall not apply to the people or manufactures of England, Scot-

land, and Australia. In this connexion the other day, the Minister of Defence interjected to the effect that the Government would oppose a proposal of the sort. I was sorry to hear the Minister give that intimation; but, at any rate, the amendment I now propose will afford an opportunity to those who have hitherto expressed themselves as being anxious to have preference shown to the mother country, to give effect to their present so-called opinions, and deny that preference. The Minister of Defence, the other day, said that preference would mean preference for dumping; and my only feeling is that the honorable gentleman has become a slave to the expression. We all admit that dumping is merely the bringing in of goods in competition with local manufactures here; and, according to the Bill, if imported goods, as they always must, reduce the profits of manufacturers of similar goods in Australia, they are to be regarded as injuring an Australian industry. This is a Bill to prohibit, as far as possible, importations into this country, on the ground that, by reducing the profits of manufacturers in Australia, they will injure Australian industries. It is necessary for those who say that they are in favour of preference with the mother country, to show that they are not merely using fine language. They cannot hide their real intentions by a Bill which uses the expression "dumping"—a word of no meaning except that casual meaning which was so effectively derided the other day by Senator Findley in his excellent speech. It is of no use to burke the fact that this Bill is intended to interfere with importations. It is intended to prohibit them, if they reduce the profits of manufacturers in this country. I want to give a preference to importations from the mother country as against those from foreign lands.

Senator GIVENS.—What about giving a preference to our own manufacturers?

Senator Sir JOSIAH SYMON.—That is being done in other directions. The supporters of preferential trade say, "We are in favour of giving a preference not by reducing carriage rates in favour of the mother country, but by raising them against foreigners." But by this Bill the Government is going to raise barriers both against foreigners and the mother country.

Senator PLAYFORD.—We are against unfair competition, no matter whence it comes.

Senator Sir JOSIAH SYMON.—Surely if the supporters of this Bill are believers in preference to the mother country, they should exempt her from its operation. In New Zealand the Act passed by Parliament had not this blot upon it. The late Mr. Seddon was not a talker, but a doer. He did not orate on the public platform about preference to the mother country, and when it came to legislating, treat the whole thing as a sham and a delusion. There was no hypocrisy in his professions. He dealt with the matter fairly and honestly. Senator Playford quoted the legislation of New Zealand as a precedent. But what do we find? In this very Bill, in regard to the importation of agricultural machinery—which we all know is the particular kind of importation that has led to the Bill being introduced—

Senator PLAYFORD. — Our agricultural machinery does not come from Great Britain.

Senator Sir JOSIAH SYMON.—Then why cannot my amendment be supported?

Senator PLAYFORD.—This Bill covers more than machinery.

Senator Sir JOSIAH SYMON.—We know perfectly well that the fountain from which this Bill has come is the agricultural implement industry, and particularly the harvester manufacturing industry. The Bill would never have seen the light of day but for the machinations, as I call them, of one particular manufacturing firm in this State.

Senator PLAYFORD.—We have heard all this very often.

Senator Sir JOSIAH SYMON. — The honorable senator will have to hear it again.

Senator TRENWITH.—The statement is very unfair, in view of the fact that manufacturers of the whole of the States have jointly issued a circular in connexion with this question, signed by at least a score of them.

Senator MULCAHY.—Senator Findley did not agree with the honorable senator in his view of the matter.

Senator Sir JOSIAH SYMON. — A thousand circulars will not alter the fact that this Bill owes its origin to a particular firm of manufacturers whom I need not name. It is public property. No more instructive speech has been delivered on this subject than that of Senator Findley, and we are justified in taking it as proved that though the Bill does cover other kinds of importations, it nevertheless owes its origin to the harvester industry, coupled

it may be, in a lesser degree with the manufacture of general machinery. In the New Zealand Act, the following section was introduced, and I quote it as a precedent in favour of my proposal—

For the purposes of this Act implements of British manufacture shall be deemed to be manufactured in New Zealand, and the importers of such implements shall be deemed to be manufacturers thereof in New Zealand.

That section, which is a credit to the New Zealand Legislature and to the late Mr. Seddon, shows that his advocacy of preferential trade with the mother country was sincere, that it was not merely lip service, and that he was prepared to give effect to it in a practical form.

Senator O'KEEFE.—What would the honorable senator do if the trusts removed their operations to Great Britain?

Senator Sir JOSIAH SYMON.—When that time came I should be perfectly prepared to see legislation passed dealing with the subject. Will not this Bill be treated in Great Britain as a Bill to prohibit importations from that country, just as much as from foreign lands? It may be wrong to draw inferences of that kind, but they will be drawn. We know what inferences were drawn, and what things were said about Australia, in connexion with the Immigration Restriction Act, for instance. Many of them, in my opinion, were unjust; but similar things will be said of this Bill. What harm will be done by inserting my amendment? It puts in a practical form a sentiment upon which we are all agreed. Will the Minister mention any manufacturers in Great Britain who are now doing mischief in this country?

Senator GIVENS.—Will Great Britain give us any preference?

Senator Sir JOSIAH SYMON.—Let us be the first to make the offer.

Senator GIVENS.—I do not subscribe to that doctrine.

Senator Sir JOSIAH SYMON. — We have heard it said from the platform that those who are free-traders do not agree with giving a preference to the mother country.

Senator MCGREGOR.—When did the honorable senator become an advocate of preferential trade?

Senator Sir JOSIAH SYMON.—I have been a sincere advocate for preference all my life, and I am still. I seek to give effect to it now. This drastic measure ought not to be applied to importations from Great Britain. Unless the Minister

of Defence can mention any mischievous importations from the mother country that are destroying or injuring industries in Australia. I may very fairly ask him to reconsider the intimation he gave by way of interjection, and to support my proposal.

Senator PLAYFORD (South Australia—Minister of Defence) [6.25].—I cannot assure Senator Symon definitely that there are importations from Great Britain which are injurious to our industries. When introducing the Bill I admitted that I could not definitely put my finger on trusts and combines that were injuring our manufactures. But I said then that, as certainly as light follows darkness, and as the sun rises in the east every morning, the experience that we have gained of trusts and combines in America shows that the great majority of trusts do eventually become injurious to the public interest, and that we may expect the same thing to happen here. It is a great deal better to have legislation to meet such evils than to have to pass Bills to cope with them after they have done a considerable amount of mischief. I cannot say that particular manufacturers are at present injuring Australian industries, or are doing any of the things enumerated in the first sub-clause of clause 19. Certainly I cannot say that in regard to British manufacturers. At present we are more likely to receive dumped goods from America than from England, especially machinery. New Zealand has been mentioned by Senator Symon as a State whose example we should follow. But it has to be remembered that in New Zealand there was no competition from Great Britain in respect to machinery, and that the particular Act referred to has now been relegated to the limbo of forgotten things. Its operation ceased on the 1st of August. Why should we follow the example of New Zealand? We have to protect ourselves against dumping from any part of the world, Great Britain included. We have a right to say to the manufacturers of Great Britain that they ought not to import goods into this country with the intent to destroy our industries which pay good wages to employés. Why should we allow British manufacturers to injure us, whilst we say that American and foreign manufacturers must not do so? We put them all on exactly the same footing.

Senator Sir JOSIAH SYMON.—Who is the British manufacturer who is going to injure us?

Senator PLAYFORD.—If they do not injure us they have nothing to fear from this Bill, and no harm is done if they are not specially excluded from it.

Sitting suspended from 6.30 to 7.45 p.m.

Senator FLAYFORD.—The object of the amendment is to except British goods from the dumping provisions of the Bill. That is proposed on the ground that we should give a preference to the people of Great Britain. I hold that such a preference can only properly be given by one of two means—by an alteration of the Tariff, increasing the existing Customs duties against all foreign goods, and allowing them to remain at their present rate as against British goods, or lowering the duties against British goods, and allowing them to remain as they are against foreign goods. I contend that this Bill is certainly not the place in which to introduce any such proposal for preference to Great Britain. This part, comprising the provisions relating to dumping, has been proposed for an object, and that object is to prevent the destruction of our own manufactures by unfair competition. If the amendment be introduced, what will be the effect? We shall practically say, "We are quite willing to allow British manufacturers to dump their goods into Australia to any extent they please to the injury of our own manufacturers and traders, and, although the results may be to throw our own people out of employment, we shall only interfere in this matter where the foreigner is concerned." I say that that would be a wrong principle to adopt. If we desire to carry out preferential trade with Great Britain, it can only properly be done in one of the two ways I have mentioned. To attempt to provide for it in the way proposed in this amendment may be said to be almost an insult to Great Britain.

Senator TRENWITH.—It is quite an insult.

Senator PLAYFORD.—What is proposed is that we shall say to the people of Great Britain, "We are prepared to give you a preference in trade. We do not believe in dumping, and have made provision against it. We will not on any account permit the foreigner to dump his goods into Australia, but we will allow you to do so if you please, to the injury of our own manufacturers and people." I say that that would be a grievous mistake. This is not the proper place in which to introduce any

preference to Great Britain, and I, therefore, trust that the Committee will not support the amendment.

Senator HENDERSON (Western Australia) [7.48].—I have been very pleased to hear the leader of the Senate say that he is not prepared to accept the amendment. If there be any virtue in this Bill, I think it will be found to be centred in these provisions against dumping. This is the part of the measure which I feel will become most effective, and of most use to Australian industries in its operation. I have nothing to say against England. Having due regard to our own interests, I am not opposed to our giving whatever advantage we can to that country. At the same time, I am not one of those who are prepared to say, "So long as it is England that is injuring us, never mind the injury. We can afford to grin and bear it so long as we know that the injury is being done to us by the people of the mother country." If we are to protect the industries of Australia from the kind of trade contemplated in these clauses, we can do so only by treating England, and every other country, on exactly the same footing. I believe that to discriminate here in the way proposed would lead us in to a very great deal of trouble. I am accustomed to look upon packages of English merchandise as packages of so much sorrow and oppression. Not that I blame England for that. England is, in the matter, merely subject to the system to which nearly all the countries of the world are subject to-day. She is groaning under a burden of wrong-doing. I repeat that I am afraid that if we discriminated here in the way proposed, we should land ourselves in a very great deal of trouble, and the time would not be long in coming when even the application of these dumping provisions to the foreigner would be found to be in reality a thing of the past, because foreign-made goods of all countries would be sent to us through smart men in Great Britain.

Senator MULCAHY.—They would have to be marked as being sent through Great Britain.

Senator BEST.—They would be made up in Great Britain.

Senator HENDERSON.—We know that they would be made up in Great Britain. The whole business would be beautifully fixed up, and if we attempted to enforce any such discrimination as is proposed by the amendment, we should have goods made

in all parts of the world shipped from England to Australia by English shippers, and claimed by English manufacturers and merchants, with the result that our attempt to prevent dumping would have become absolutely useless. Now that we have set about dealing with the matters covered by this Bill, I repeat my view that to the provisions with respect to dumping we should direct our most careful attention, because I believe that from them we are likely to receive the greatest benefit. I think that this is the part of the measure to which we must look for an effective weapon to prevent the extermination of some of our Australian industries, and, in the circumstances, I support the leader of the Government in the Senate in his opposition to the amendment.

Senator PULSFORD (New South Wales) [7.53].—There is a touch of cruelty about this amendment of Senator Symon's. It has very much the effect of making a puncture in a bladder. It lets out the air. The amendment does something to expose the character and quality of the boasted desire to do something for the mother country which we have so often heard expressed. At the same time, I think that the Government are greatly to blame for leading people on the other side of the world to believe that they are permeated with a desire to do something special for them. It is very much to be regretted that they should allow such ideas to get abroad, because now after such declarations as have fallen from the leader of the Government in the Senate, they are made to look rather silly. I have here a copy of the *British Australasian* of 19th July, and I find it rather interesting to note what is said in this periodical with regard to this very Bill, and the expectation held with respect to it in certain quarters in Great Britain. A leading article in the publication is entitled "A Blow at the Trusts," and here are two sentences from it—

The more important provisions of this Bill are given in detail in an article which appears in another page of this issue. It will be seen that Australia has entered very seriously upon a campaign to prevent the dumping of foreign-made goods in Australia, to the detriment both of Australian and English manufacturers.

The believers in preference at Home imagine that the Government out here, permeated with the idea of preference, considered the position of the manufacturers of England and of Australia as being on the same footing.

Senator Sir JOSIAH SYMON.—And that the English manufacturers ought not to be subjected to this Bill. That is what the article says.

Senator TRENWITH.—It does not say that or anything like it.

Senator PULSFORD.—I think that it does. If the honorable senator will permit me I shall read the last sentence again—

It will be seen that Australia has entered very seriously upon a campaign to prevent the dumping of foreign-made goods in Australia, to the detriment both of Australian and English manufacturers.

Senator GUTHRIE.—On a point of order, I direct the attention of the Chairman to standing order No. 400, and ask whether Senator Pulsford is in order in reading extracts from a newspaper referring to a debate which has taken place in this Parliament?

The CHAIRMAN.—I hardly see how it is possible for anything to have appeared in the *British-Australasian* concerning a debate on this Bill in the Senate. I think the honorable senator is in order.

Senator PULSFORD.—The article concludes with these words—

Thus Australasia is armed for the Empire against the whole foreign commercial world.

I wonder what the writer of this article will have to say about the utterances of Senator Playford?

Senator STORY.—Is the writer an Australian?

Senator PULSFORD.—I do not know who the writer is, but the *British-Australasian* is published in London, and is a periodical well known in British-Australasian circles.

Senator Sir JOSIAH SYMON.—It is a publication which, rightly or wrongly, on Australian questions is regarded authoritatively in England.

Senator PLAYFORD.—The writer could not have taken the trouble to read what took place in another branch of the Legislature, or he would not have written in the way he has done.

Senator PULSFORD.—This issue of the *British-Australasian* is dated 19th July.

Senator PLAYFORD.—I suppose that was before the Bill was debated?

Senator PULSFORD.—I dare say, but what I am directing attention to is the belief that has been engendered in many British circles as the result of utterances by certain Australians as to what they intended to do. I say that the amendment

proposed by Senator Symon has the effect of letting the stuffing out, and exposes in all its bare nakedness the utter selfishness which lies at the bottom of these professions of special regard for the mother country. There is no intention on the part of those who profess to desire preferential trade with Great Britain to give up a farthing's worth of anything. That is the real truth, and the sooner every one concerned is made aware of it the better. Honorable senators know that I am no believer in any good being likely to arise from a policy of preference adopted, we will say, by England. Of course, we have here a bad policy in force, and I am ready to do all I can to reduce its evil effects. Any proposal, no matter where it emanates from, which is calculated to restrict the operation of legislation likely to decrease our trade, will have my support, and therefore I cordially support the amendment.

Senator TRENWITH (Victoria) [7.59].—I am astonished that honorable senators should discuss the amendment seriously at all. I recognised that Senator Symon was chaffing us.

Senator Sir JOSIAH SYMON.—Indeed I was not, but I am glad the honorable senator takes it good humouredly.

Senator TRENWITH.—If the honorable and learned senator was not, then I am astonished at the sort of preference he desires to give to the mother country. This is a Bill designed to prevent persons combining intentionally to destroy Australian industries.

Senator DRAKE.—Where does the honorable senator see that in these clauses?

Senator TRENWITH.—Senator Symon proposes that this Bill shall not apply to Great Britain.

Senator Sir JOSIAH SYMON.—The honorable senator is thinking of Part II.

Senator TRENWITH.—Well, dumping with the intention to destroy Australian industries is just as baneful as any other operation with the same object.

Senator DRAKE.—There is nothing about any such intention in these clauses.

Senator TRENWITH.—Assuming that the intention to destroy is just as baneful when emanating from Great Britain as it is from any other part of the world, we may also assume that it is not likely to come from that quarter.

Senator Sir JOSIAH SYMON.—And if it does not come from that quarter, why should not the honorable senator say so?

saying so, we should be saying, possibly, that England might want to dump goods here with the intention of destroying Australian industries. That would be offering to her an insult to which I, for one, shall be no party.

Senator Sir JOSIAH SYMON.—But it is being inflicted upon her by the Bill.

Senator TRENWITH.—No. In the Bill we are saying to all and sundry that we do not intend to allow certain things to be done which are injurious to us, which are not honorable, and which are not fair trading on the part of those who undertake to do them. We should, I am confident, insult Great Britain by saying that we exempt her from its provisions. It would be just as friendly to Great Britain if, when we were passing a law to prevent thieving, we were to provide that it should not apply to thieving done by Britons.

Senator FINDLEY.—Where are harvesters made by Massey-Harris?

Senator TRENWITH.—In the British Empire, but not in Great Britain, of which alone I am speaking at this moment.

Senator PULSFORD.—Does the honorable senator suggest that Massey-Harris are thieves?

Senator TRENWITH.—I do not wish to say in reference to any person anything which is offensive.

Senator PULSFORD.—But the honorable senator can say it by innuendo.

Senator TRENWITH. — No; I am merely presenting an illustration. The Bill is intended to prevent the destruction of our industries, and the amendment says, in effect, "It is true that there is evil-doing in connexion with our industries; but we propose that it shall not be prohibited so far as it originates in the mother country."

Senator Sir JOSIAH SYMON.—That is not what my amendment says.

Senator TRENWITH.—It says that the mother country shall be exempted from the provisions of the Bill.

Senator Sir JOSIAH SYMON.—No; it says that we do not believe that England exports goods for that purpose, or with that intent.

Senator TRENWITH.—If the honorable senator wants to pass a declaratory resolution with reference to the integrity of Great Britain, I shall not be averse to voting for his proposal; but that is not

only chaffing when he moved the amendment. I am quite sure that, if it were within his power to inflict such an insult upon Great Britain, he would not be prepared to do it. His amendment is submitted for the purpose, if he can, from his point of view, of poking a little fun at the Bill, and I do not propose to discuss it seriously. It is obviously absurd to say, "We will pass a Bill against wrong-doing, but will permit anybody, even our nearest relative, to do that wrong." It would be an insult to them to say so.

Senator MACFARLANE (Tasmania) [8.4].—I desire to say a few words, because I gave notice of a similar amendment. It is most extraordinary that the Government, with Mr. Deakin at its head, should object to an amendment of this kind, having regard to the fact that only a few years ago he was writing to Mr. Chamberlain, who said that he was encouraged to believe that Australia would not object to British manufactures being imported into Australia. He used that as an argument why his policy of preferential trade should be adopted in Australia. But now we have a Government which would prevent British goods from coming in and not because we have been hurt, for there is no evidence to that effect. In the Bill we are really crying out before we are hurt. We ought to take a leaf out of New Zealand's book, and give British manufactures a preference, or, at least, we ought to take a leaf out of Canada's book, and, if goods are coming in here to the detriment of our own manufacturers, raise the duty against them. It seems to me that the profession of the Government in regard to preferential trade is now shown to be a farce. I feel very strongly that they are not behaving in the way in which they are expected by England to behave.

Senator DRAKE (Queensland) [8.7].—I agree with Senator Trenwith that there is nothing morally wrong in the practice of dumping as it is described in the Bill. Under certain circumstances, a country may be quite justified in prohibiting the introduction of goods; but I do not see that the enactment of a law of that kind would make the practice morally wrong. It would be enacted simply as a matter of expediency, in order to promote the supposed well-being of the country. Let us look at one of the cases in which com-

petition will be deemed unfair unless the contrary be proved—

(d) If the imported goods are imported by or for the manufacturer, or some person acting for or in combination with him or accounting to him, and are being sold in Australia at a price which is less than gives the person importing or selling them a fair profit upon their fair foreign market value, or their fair selling value if sold in the country of production, together with all charges after shipment from the place whence the goods are exported directly to Australia (including Customs duty).

There is nothing morally wrong in such competition. Under the circumstances described, it may suit our purpose to prohibit the importation of the goods, but it cannot be said that there is anything wicked or vile in their importation.

Senator Sir JOSIAH SYMON.—Besides, it may be a proper thing to prohibit them. A man may be selling bad stock at less than cost price.

Senator DRAKE.—Quite so. For certain purposes it is proposed to prohibit the introduction of these goods, as being calculated, perhaps, to do injury to persons who are trading in similar articles here. But it is a pure trade transaction, and it is simply a matter of expediency for us to consider whether it is desirable that they should be excluded. It ought to be remembered that the alternative to prohibition is not unrestricted competition, as some honorable members seem to assume, because the Tariff would still continue in operation. I will not say that the duties are right in all cases. Perhaps they might with advantage be made higher in some cases and lower in others. But the Tariff was solemnly agreed to by the Parliament as being adequate to protect our industries. What the amendment proposes is that in regard to all the world the Tariff shall remain in operation as it stands, but that in the case of foreign producers or manufacturers there should be the Tariff plus this possible prohibition. That is very similar, indeed, to the proposals for preferential trade which were submitted to the country less than three years ago. What the protectionists who were in favour of preferential trade with Great Britain proposed then was that the Tariff should remain with a certain addition in the case of foreign imports.

Senator STYLES.—That was not so with all protectionists.

Senator DRAKE.—I suppose the honor-

able senator means that some protectionists were in favour of imposing higher duties at once.

Senator STYLES.—Or re-adjusting our own Tariff first.

Senator DRAKE.—I can quite understand that amongst a body of protectionists who desire to protect the industries of the country, there must always be some who are in favour of imposing very much higher duties on particular articles, and of allowing the Tariff to remain as it is in regard to other articles. The contention of the Protectionist Party, or, perhaps I should say the Government Party, at the last election was that they desired preferential trade with Great Britain, and that was held to mean the addition to the Tariff of a certain percentage in the case of foreign imports, so as to give a preference to Great Britain. This Bill proposes a protection to industries by another method than the Tariff, and one which goes further. It is somewhat different in character, but the object aimed at is the same. Instead of protection by means of a high Tariff, it is to be protection by means of a Tariff with possibly prohibition in certain cases.

Senator MULCAHY.—The other protection would work by rule of thumb.

Senator DRAKE.—Protection by means of the Tariff is, in my opinion, preferable, because it operates all round, and applies equally to large as well as small industries. My point at present is that this prohibition is to come in and operate when the Tariff fails to give the necessary protection to local industries. Therefore the case is very nearly on all-fours when we come to consider preferential trade. What the amendment proposes is that against all the world there shall remain the Tariff, which, of course, may be altered from time to time, but against foreign countries there is to be the Tariff and possibly prohibition in certain cases. Surely that is the principle of preferential trade which the Deakin Government, of which I was a member, advocated at the last general election. I feel that it is only reasonable and proper for me to vote for the amendment.

Senator Sir JOSIAH SYMON (South Australia) [8.14].—I should not have risen to speak again but for the attempt, good humoured but laboured, of Senator Trenwith to treat the amendment as a piece of chaff, and for that reason not to enter upon a discussion of it. I do not regard anything that concerns trade relations within

the Commonwealth, or with the mother country or foreign nations, as a matter to be approached in a spirit of levity, or to be the subject, to use my honorable friend's expression, of "poking fun." It is altogether too serious a matter to be treated in that way; and while I thoroughly appreciate the good humour which it bespeaks on his part, and the unfailing friendliness which he exhibits towards any proposal I make, although he may be very hostile to it in reality, I do not think that it is quite the way in which the amendment should be treated, and I do not thank him for his remarks from that stand-point. Senator Playford has not met the situation at all.

Senator PLAYFORD.—Rather too much, I think.

Senator Sir JOSIAH SYMON.—If that was the way in which my honorable friend dealt with the matters relating to Papua and Defence, concerning which he was asked to supply information last Friday, I do not wonder at the summary method of a count-out, which is not applicable in ordinary circumstances, being resorted to.

Senator TRENWITH.—That is not a threat?

Senator Sir JOSIAH SYMON.—No. As I was not here, that throws a little light on the attitude adopted by the honorable senators then present, showing their feeling of displeasure at the course taken by the Minister of Defence. But my honorable friend says that the Tariff is the proper means to deal with the question of trade, and that there are two ways under the Tariff of giving preference—one by raising the duties against the countries which ought not to have the preference, so as to leave a kind of bastard preference for the country supposed to have the benefit; and the other by lowering the Tariff in favour of the preferred country. The latter is the method which I should support, but the other is the method that honorable senators of different fiscal views from myself would adopt. That, however, has been disposed of altogether by what Senator Drake has said. Without elaborating, I wish to emphasize the remarks of that honorable senator, to the effect that under the present Tariff we may, in certain directions, attack the importation of agricultural machinery, which I repeat is the origin or cause of this Bill. There may or may not be a higher Tariff imposed on such machinery this session, but, whatever the Tariff may be, there will always be this Bill superadded. By the Tariff we seek

to keep out the goods of other countries, either wholly or in part; and if the Tariff is not enough there will be this Bill, which will give the same kind of protection, but, it may be, to a greater extent, and altogether prohibit importation. Senator Drake has made it perfectly plain that this, in a sense, is a Tariff Bill—a Bill to prohibit imports. The only difference between it and a prohibitive Tariff is that there is introduced the element of injury to some particular local industry. But every importation, to a certain extent, injures local industry. The kind of injury is not defined, and it may be the same which it is sought to prevent by the Tariff. As Senator Drake has put it, this is essentially a Bill in which we can give effect to the principle of preference if we sincerely believe in that principle; and that is what I ask the Committee and the Government to do. I am not now advocating preference as against those who think there should be no preference; all I say is that those who believe in preference have no reason to say that this is not an opportune time to give effect to the principle. The Minister of Defence and Senator Trenwith advanced the most extraordinary argument I ever heard.

Senator STYLES.—No doubt.

Senator Sir JOSIAH SYMON.—I know Senator Styles' views on protection, and I respect him for the assiduity with which, in season and out of season, he seeks to give effect to them. I felt sure, however, that he would agree with me as to the extraordinary character of the argument that this amendment, if carried, would insult Great Britain. Why should the amendment insult Great Britain? It is an insult to pass a Bill directed against Great Britain as well as against foreign nations, when we are not able to cite one single instance of the importation of English manufactures with the intent to injure or destroy Australian industry. This Bill is a gross insult to England. My amendment is simply a declaration that we in this Parliament believe that nothing of the kind was ever done, or ever will be done, by England. It is all very well for the Minister of Defence to laugh. We at present keep English manufactures out by means of the Tariff, and I ask why we should insult England by saying that the Tariff is not sufficient—that the manufacturers of the mother country will send their goods here with the intent to destroy or injure

the manufactures of Australia? English manufacturers send their goods here in order to sell them, and in the process of selling other manufacturers have, of course, to take their chance. The object of protection is to equalize the chances; but this Bill is introduced in order to prevent what is said to be a mischievous kind of importation of agricultural implements and, of course, other goods from America, Canada, or other places. Why, then, should we include England? If instances could be shown in England similar to that of the harvester combine, or the Standard Oil Trust, there would be some justification for the Bill; but the Minister candidly and frankly says that he is unable to give any such instance.

Senator PLAYFORD.—There would most likely be instances if the matter were left open.

Senator Sir JOSIAH SYMON. — Why should my honorable friend insult English manufacturers by saying that?

Senator MCGREGOR. — Does Senator Symon say that such instances are not known on the part of England?

Senator Sir JOSIAH SYMON.—So far as I know, there are not.

Senator MCGREGOR.—Then I shall give some instances when the honorable senator has finished.

Senator Sir JOSIAH SYMON.—I know that Senator McGregor is an encyclopædia of knowledge of wicked things known to none of us. The fact is that legislation of this kind gives Australia and Australian legislation a bad flavour in England. I do not agree with those who "run down" Australia, or take advantage of bad legislation to do so. I scorn people who are guilty of that kind of thing; but I have sense enough to know what is said, and what will be said, if we continue to pass measures such as the Immigration Restriction Act. Such legislation simply gives a handle to the enemy. From what I observe now, it is quite evident that the Minister of Defence and Senator McGregor have "made it up." It is not now Senator Millen, but Senator McGregor, who is called to the aid of the Ministry; and I am quite sure we shall not have a count out to-night.

Senator MCGREGOR.—I thought the honorable senator would have rejoiced over our "making it up."

Senator Sir JOSIAH SYMON.—I do; I like to see the honorable senator and the

Minister of Defence throwing themselves on each other's necks in this affectionate way. I was pointing out that if we pass legislation of this kind we give a weapon to the enemy.

Senator PLAYFORD.—If we pass the amendment we shall give a weapon to the enemy.

Senator Sir JOSIAH SYMON.—What enemy?

Senator PLAYFORD.—Foreign countries, who would import to Australia through Great Britain.

Senator Sir JOSIAH SYMON.—As the Minister knows, that is not an original remark, because it was made by Senator Henderson a few minutes ago. At present I desire to call honorable senators' attention to the fact that the Bill, in its present form, will give a handle to those who are hostile to Australia, and only too willing to be adverse critics of this country and its legislation. The newspaper quoted by Senator Pulsford is, I know, regarded in England as, to a large extent, the exponent of Australian feeling. It will be seen that there was an impression, when this Bill was introduced, that it was an instalment of preference, for the purpose of defeating the accursed foreigner, and keeping his goods out of Australia for the benefit of Australian and British manufacturers.

Senator TRENWITH.—Hear, hear! that is so!

Senator Sir JOSIAH SYMON.—Then why should Senator Trenwith not support my amendment?

Senator TRENWITH.—The amendment would allow English manufacturers, if they so desired, to introduce their goods into Australia in an unfair way—a way which I do not contemplate they desire to take.

Senator Sir JOSIAH SYMON.—What the Bill says is that English manufacturers threaten to do what Senator Trenwith has indicated. If we pass the amendment, and English manufacturers resort to nefarious practices, we can have fresh legislation. It is much better in legislation of this kind, which imposes penalties, to say that we do not mean England, against which country we have no complaint. Senator McGregor says that he is going to cite some instances; but there is no complaint to be made now, and we do not believe that England would do such an unkind and monstrous thing as to send goods here with the intention to destroy or injure our industries. The reasons

which have been offered from that standpoint against the amendment have no strength or substance.

Senator TRENWITH.—The amendment is a declaration that we expect English manufacturers to do those things, and it offers to exempt them if they do.

Senator Sir JOSIAH SYMON.—Surely that is a far-fetched assumption.

Senator TRENWITH.—The amendment is capable of no other reading.

Senator Sir JOSIAH SYMON.—The amendment means the very opposite. It declares that there are no instances of the kind, and that we do not believe English manufacturers would be guilty of such a thing. But I am sure that it is hopeless to attempt to convince Senator Trenwith. If an angel came down from heaven, it could not offer any inducement to Senator Trenwith to change his mind, so wedded is he to this particular measure. At the same time, the position appears perfectly plain from the point of view of those who think that this legislation has been introduced in the interests of British and Australian manufacturers as against foreign manufacturers; but when the Bill is thoroughly understood, we shall have very different articles in the *British-Australasian* and other newspapers, and we shall scarcely be entitled to complain if our legislation meets with still further hostile criticism.

Senator STEWART.—What have they to do with our legislation?

Senator Sir JOSIAH SYMON.—The honorable senator knows, I am sure, that I am not likely to be influenced in my legislative work by such articles. But when we condemn the critics we ought to remember that we have given them the material on which they base their criticism. I now come to the point raised by Senator Henderson, and referred to by Senator Playford by way of interjection, as to the possibility, in practical working, of foreign goods being imported through England to Australia.

Senator PLAYFORD.—All the goods would not be from foreign countries; a part would go to England, and have a little done to them before being exported to Australia.

Senator Sir JOSIAH SYMON.—That is another phase.

Senator PLAYFORD.—That is one way of dumping.

Senator Sir JOSIAH SYMON.—But that could be done under the Tariff.

Senator PLAYFORD.—The Tariff does not discriminate between foreign and British goods.

Senator Sir JOSIAH SYMON.—If we had a preferential Tariff, exactly the same sort of thing would happen.

Senator PLAYFORD.—Very possibly.

Senator Sir JOSIAH SYMON.—That is as large an admission as I am entitled to ask for, and it shows that exactly the same arguments and reasons which apply as against my amendment, would apply to a preferential Tariff, which is advocated, and rightly so, from the point of view of my honorable friend, and those who think with him in the matter of protection. The practical difficulty being identical in both cases, there is no reason against the passing of my amendment. If honorable senators were against preference under proper circumstances and conditions, the objection would be right enough, but if they are not against preference it is clear that my proposal is quite as much entitled to support as a preferential Tariff would be.

Senator STANFORTH SMITH (Western Australia) [8.30].—I admit at once that Senator Symon's amendment has exercised my mind a good deal. I agree to a certain extent with what he has said in proposing it. I agree with him in his support of some preference to Great Britain in our Tariff. Three years ago, when I was addressing my constituents in Perth, I advocated giving a preference to Great Britain, and am still in favour of that policy. Senator Symon has pointed out that the clause means prohibition under certain conditions, and there is a fear that it may be misunderstood in Great Britain. We are well aware that our Immigration Restriction Acts—which, as amended, are really good Acts, and should remain exactly as they stand—were misunderstood through the British people being misinformed as to their intention. A great deal of injury was consequently done to the Commonwealth in respect of attracting desirable immigration. Senator Symon also pointed out that we are imposing penalties which may be applied to British manufacturers, although no instance has been given of their having done wrong to our traders.

Senator BEST.—What does the honorable senator mean by penalties?

Senator STANFORTH SMITH.—Surely prohibition is a penalty. But another question has arisen in my mind. Why

British Isles, and not proposed to be applied to other portions of the British Empire in which the Anglo-Saxon race exists—such, for instance, as Canada? The answer will at once be made that if the exemption were extended to Canada it would mean that the line of manufactures that Senator Symon says this Bill was specially introduced to prevent the importation of under certain circumstances, would be exempted from the operation of the measure. In another place a Bill has been introduced to impose specific duties on stripper harvesters. It is not proposed to make any differentiation between Great Britain and any other part of the world with regard to their importation. If, when that measure comes before the Senate, Senator Symon proposes that a preference shall be granted to Great Britain, I shall be prepared to support him. But the Bill now before us was, we are informed, introduced specially to deal with stripper harvesters. I am inclined to agree with that view to a large extent. If, therefore, we read into this Bill an application to stripper harvesters specifically, instead of to manufactures generally, we shall find that it is now proposed to give a preference to Great Britain in the importation of stripper harvesters, although a Judge of the High Court may find that they are being introduced at a specially low price with the object of destroying an Australian industry.

Senator MILLEN.—Great Britain does not manufacture stripper harvesters.

Senator STANFORTH SMITH.—But she may do so. The Canadian and American manufacturers may commence to manufacture in Great Britain if she is exempted from the dumping clauses. It appears to me that this is the wrong Bill in which to propose to grant a preference to Great Britain. We propose in this measure to punish those who are endeavouring to injure us. But Senator Symon's amendment proposes that we shall not punish dumpers who desire to injure us if their goods come from Great Britain. That is very altruistic, and ethically admirable as far as it goes; but if we apply it to this Bill we practically say that we will not inflict any punishment on our kinsfolk who do us wrong, whereas if we apply it to the Tariff Bill to which I have referred, and which is now before another place, we shall say that we do desire to give a preference to British manufacturers over

should prefer to give a preference to Great Britain under the Tariff proposals, and not in a Bill which is introduced with the special object of punishing those who attempt to injure Australian industries. I shall vote against the amendment.

Senator MULCAHY (Tasmania) [8.39].—It is regrettable that the Minister in charge of the Bill did not make some introductory remarks about the part relating to dumping, to enable honorable senators to form a fair judgment on what the Government and its legal advisers consider will be its effects. I cannot say that I have followed Senator Symon's reasoning, although I intend to support his amendment. I will, however, give my own reasons in favour of it. I agree with Senator Trenwith that the natural interpretation that would be put upon any exemption of Great Britain from the provisions of this Bill, would be that we desired to show a preference to British dumping. But what is overlooked is that we are now dealing with a portion of the Bill which proposes to make a crime of a thing which is done every day, and done most legitimately in the ordinary way of trade.

Senator PLAYFORD.—That is a reason for voting against the clause, but no reason for an exemption in favour of Great Britain.

Senator MULCAHY.—I wish the Minister would explain his own views in his own time. An explanation on behalf of the Government would come better from him if he were on his feet. It is quite a common thing for goods to be purchased in Great Britain as well as in foreign countries at a price greatly below their cost of production, and below the market price in the country where they are purchased. Australian merchants are constantly importing goods from Great Britain, especially towards the ends of seasons, at a price below the cost of production. These goods are brought out to Australia, and sold cheaply with every advantage to the people of this country. We are going to make that practice an offence if this Bill is strictly interpreted. I wish to ask the legal representative of the Government in the Senate a question. I wish to know whether under this Bill unfair competition is merely part of an offence, or the whole offence? Is a man merely introducing goods which have been purchased at a price below the cost of production, by s

doing, to be held to be guilty of "an intent" to injure an Australian industry? "Unfair competition" is defined in clause 18, paragraph c of sub-clause 2, as applying to cases where the imported goods have been purchased abroad—

at prices greatly below their ordinary cost of production where produced or market price where purchased.

That frequently happens, and I wish to know whether that alone would constitute an offence punishable by the forfeiture of the goods?

Senator MCGREGOR (South Australia) [8.45].—While Senator Symon was speaking in reference to what Great Britain might do, is doing, or has done in the past, I made an interjection to show that it is not exempt, any more than is any other country in the world, from practices in trade that are not altogether of a righteous character. We have only to look back to the time of the Boer war to find that her merchants of undoubted integrity sent shoddy war materials to South Africa, and thus endangered the lives of citizens of Great Britain. We have only to look at what is being done to-day to find that they are capable of little tricks of this description, for we learn that in connexion with the butter industry in which Australia is interested they are prepared to adulterate their goods in every shape and form with the object of deceiving their own people. Surely if they are capable of doing that, it is not too much to suppose that they are capable of doing to the injury of the Australian people what would be regarded as illegal under this Bill? Senator Symon asked for instances in which anything of the kind complained about had been done. There are many things that are required and can be manufactured in Australia that cannot be protected by means of the Tariff, and it may be that in those cases the provision of such a measure as this would be the only protection that could be afforded. It is not so long ago since a South Australian started an industry in Club House Lane, North Hindlev-street, for the purpose of manufacturing blacking. He went to a large distributing house in Adelaide. I do not know that there would be anything improper in mentioning the name of the house in question, but it is not necessary that I should do so, since I can give the name to Senator Symon or any other honorable senator who may be curious on the point, and they will be able to make inquiries for themselves.

It has been said that this Bill might protect the large, but would not protect the small manufacturers. The person to whom I refer was a small manufacturer, and he went to this distributing house and said he had an article equal to anything on the market. It was taken up by the distributing house and put on the market. I point out that every outside manufacturer is under this Bill rightly regarded as foreign, whether he be a British manufacturer or a manufacturer of any other country. The man walking about Bourke-street out of employment as the result of operations with which this Bill is intended to deal will be just as hungry, and his family will suffer just as much, whether the competition which has led to his trouble be that of British, German, or American manufacturers.

Senator PULSFORD. — Or New South Wales.

Senator MCGREGOR.—We are dealing with foreign countries in this measure. This is not a Bill against New South Wales. The distributing house to which I have referred took up the local manufacturer's blacking and put it on the market, with the result that the British article with which it came into competition was not required, and immediately a letter came from the great firm of Day and Martin of England, asking why the demand for their goods had fallen off. A reply was sent back stating that a local manufacturer was turning out an article of equal quality at an equal or a lower price, and they were putting it on the market. The reply to that was that there was a consignment on its way out free of charge, and it might be put on the market at any price. That is the kind of competition this Bill is designed to prevent.

Senator TRENWITH. — And that the amendment would exempt.

Senator MCGREGOR.—Exactly. That is something which has really occurred, and occurred in connexion with importations from Great Britain.

Senator Sir JOSIAH SYMON.—Day and Martin must have made public their own letter.

Senator MCGREGOR.—Oh, no; some one else might have done that. There are ways and means of getting information.

Senator Sir JOSIAH SYMON.—There is such a thing as unfounded rumour.

Senator MCGREGOR.—Will Senator Symon deny that this establishment was

set up in Club House Lane, that the man to whom I have referred got his article on to the market, and was shortly afterwards "knocked out" by a consignment of the description I have mentioned? I am making a statement with knowledge, and of course Senator Symon can deny it if he pleases. I am not going on any rumour.

Senator Sir JOSIAH SYMON.—The honorable senator referred to a letter from Day and Martin.

Senator MULCAHY. — Is the honorable senator going on affidavits?

Senator MCGREGOR.—I am going on information which satisfies me that the statement I am making is correct, and the instance I have given furnishes a sound argument against the amendment. Honorable senators have already referred to the dangers we might run, should the amendment be passed, of getting continental and other goods transferred to Australia through Great Britain. No argument which Senator Symon has so far advanced has disabused the minds of honorable senators on this side of the existence of that danger. I have given a special instance. I know of other like instances that have occurred, and I know that they are likely to occur in future. I have no greater faith as the result of my own knowledge in the honesty of British business people than I have in that of the business people of any other country, and I am therefore going to oppose the amendment.

Senator WALKER (New South Wales) [8.53].—I propose to say but a very few words to defend the position I take up. I am an out-and-out free-trader. I do not believe in preference to any one, but when I am called upon to deal with a measure which is calculated to do such a vast amount of injury to the great body of the people of the Commonwealth represented by the consumers, and an amendment is moved which is likely to lessen that injury, I have no hesitation in supporting that amendment.

Senator DOBSON (Tasmania) [8.54].—I am a firm believer in preferential trade, and I shall take advantage of every opportunity I can to give practical effect to my views. It is contended that this is not the time, nor is this a fitting measure, in which to introduce such a provision for preference. But I am bound to say that Senators Playford and Trenwith have not convinced me that this is an improper occasion for the introduction of the principle. What is meant by dumping? There may be two or three classes of dumping. The dumping

which I believe to be unfair, and which I think should be prevented, is that carried on by the manufacturers of the United States. They have an enormous home market of 80,000,000 people, and are protected by a wall of protective duties. They keep their factories going night and day with the result that they have very large quantities of surplus products, which they dump in every part of the world at prices very much below cost price, and yet, on the year's transaction, can show an enormous profit. That cannot be compared in any way with the kind of dumping of which the manufacturers of Great Britain are capable. Great Britain is without any protection whatever, her markets are open to the whole world, her manufactures are, in the main, produced to order, and if there is any surplus of manufactured goods in Great Britain, what are the manufacturers to do with them? Do our honorable friends opposite desire that they should be prevented from selling them? If this is a proper measure for Australia to pass every other part of the Empire might pass similar legislation, and, in that case, what could the British manufacturers do with their surplus goods? There is all the difference in the world between the dumping of Great Britain and of America. We know that the manufacturers of the United States are keen on getting possession of every market in the world, and are prepared to destroy the industries for the sake of profit. An isolated case of the kind might be quoted in connexion with the operations of the British manufacturers, but that is not the way in which British trade is generally carried on. I should like to ask our honorable friends opposite what they think will happen if goods sent here from Great Britain in the ordinary way of trade, and as they have been sent here for years past, are not admitted into Australia? Will that be likely to increase or to decrease the unpopularity of Australia in Great Britain which has arisen as the result of our legislation.

Senator STANFORTH SMITH.—Or what is represented as our legislation.

Senator DOBSON.—No, because the people of Great Britain have had an opportunity to read the Acts we have passed. I say that by our legislation, and its administration, we have rightly incurred unpopularity in Great Britain.

The CHAIRMAN.—The honorable senator should not reflect upon Acts of this Parliament unless he moves for their repeal.

Senator DOBSON.—I was answering Senator Smith's interjection.

Senator GIVENS.—The honorable senator said that we had rightly incurred unpopularity in Great Britain.

Senator DOBSON.—I do not know that that is reflecting upon the Acts of this Parliament, but I repeat my statement that we have rightly incurred that unpopularity. We have not shown the slightest regard for Great Britain. Her markets have been freely thrown open to all our exports of wool, meat, and butter, though they must, in some way, have injured her landowners, tenant farmers, and agricultural labourers, and yet honorable senators refuse to grant the small modicum of preference asked for in the amendment.

Senator STANFORTH SMITH.—We have given Great Britain preferential treatment in our immigration law.

Senator DOBSON.—We did so only at the last moment, and only after our unpopular and unjustifiable legislation had been allowed to remain on the statute-book for a few years.

Senator PEARCE.—The honorable senator should not join the "stinking fish party."

Senator DOBSON.—I am not afraid of the "stinking fish party," but I should be very sorry to join the "Australia for the Australians" party, or what I call the selfish party. We shall never form a nation by selfishness, injustice, tyranny, and wrong. The Minister talked about an offer, and I think there has been an offer.

Senator TRENWITH.—It was not the Minister who talked about the offer, but Senator Symon.

Senator DOBSON.—The Minister, I think, said that there had been an offer.

Senator FLAYFORD.—I never said a word about it.

Senator DOBSON.—At the Premiers' Conference, in 1897, Canada made a distinct offer to continue the preference already given of 33 per cent. in favour of British goods, and also to give a higher preference with respect to goods to be stipulated. At that Conference the representatives of Australia, Natal, and, I believe, other Colonial Possessions of the Empire, agreed that when they went back to their respective States they would endeavour to pass legislation providing for preference to Great Britain. What has been done since then? We have had nothing but talk, which appears to entirely satisfy our friends of the Deakin Ministry. Senator Trenwith seemed to think that the one argument

which clinched and disposed of the amendment was that it was an insult, but for once I think that our clear-headed friend made a slip. He has spoken of the Bill as one to get rid of wrong-doing. There is a kind of dumping which is not wrong-doing, but ordinary trade. In the same connexion, the honorable senator illustrated his argument by a reference to the case of a Bill to prevent thieving, and said that in this Bill no insult is offered to Great Britain but that to pass the amendment would be an insult to her. It is unfair to assume for a moment, let alone to declare in an Act of Parliament, that Great Britain has been, or might be, guilty of the tyranny, the gross wrong-doing, and the injustice which have been practised by manufacturers in the United States.

Senator TRENWITH.—If she is not, then the Bill will not touch her.

Senator DOBSON.—It is all very fine for the honorable senator to make that interjection, but I am now dealing with the question of insulting Great Britain, and the only insult I have heard offered to her has come from the opposite benches. If we agreed to the amendment we would show our faith in her superior honesty. We all know that the English merchant is the most honest on the face of the globe.

Senator TRENWITH.—That is not saying much.

Senator DOBSON.—The honorable senator may get out of the position in that way if he likes, but we have to take the standard of the world, and, so far from putting the British merchant on a level with the trust merchant of the United States—

Senator TRENWITH.—I do not.

Senator DOBSON.—Well, some of my honorable friends opposite said that they would trust the British merchant no more than the trust merchant of the United States. I decline to insult the merchants of the mother-land in that way. I ask the Ministers to consider what Great Britain is to do with her surplus manufactures.

Senator FLAYFORD.—I think she might consider that point herself. We have quite enough of our own to consider.

Senator DOBSON.—No doubt Great Britain will expect fair play and fair treatment. Considering that her markets are open to us, she will expect some of that reciprocal action which we talk about.

Mr. Deakin is such a superb orator that he thinks it is quite enough to talk about a subject, and to do nothing. We ought to consider how the mother country is to get rid of her surplus manufactures. I press that point upon the attention of every honorable senator. If every Colony within the Empire were to pass a similar measure, how would my honorable friends expect Great Britain to dispose of her surplus manufactures? Is it a fair and right thing for the Parliament of the Commonwealth to legislate in this way? Are we an Empire or are we not? This afternoon, I heard some honorable senators talk as if they wanted Australia to have a separate system of defence, a separate system of trade, and, I suppose, a separate flag, and a separate King.

The CHAIRMAN. — The honorable senator ought not to allude to a former debate of the present session.

Senator DOBSON.—I think it was said in this debate.

The CHAIRMAN.—It was said in the debate on the Supply Bill.

Senator DOBSON.—I shall support the amendment most willingly. But if the clause is passed, and goods from Great Britain are excluded under its operation, we shall become even more unpopular than we are, and the mother country will think still less of our sense of justice.

Senator KEATING (Tasmania—Honorary Minister) [9.5].—Senator Mulcahy has asked for information in regard to the effect of paragraph c of sub-clause 2 of clause 18. That point will come up for consideration after the present amendment is disposed of.

Senator MULCAHY.—It has a bearing on this amendment, though.

Senator KEATING.—According to the paragraph, the competition shall be deemed unfair unless the contrary is proved—

If the imported goods have been purchased abroad by or for the importer, from the manufacturer or some person acting for or in combination with him or accounting to him, at prices greatly below their ordinary cost of production where produced or market price where purchased.

By passing the provision, we should not be making that an offence, nor should we be making it the sole test for determining whether or not he was committing an offence in the way of an illegal dumping. We should be declaring that that fact in itself should be deemed unfair unless the con-

trary were proved. Let me state the procedure which would follow in regard to an individual whom it was desired to bring under the operation of the penal provisions of this part of the Act. The Comptroller-General would have to receive a complaint in writing, that an importer was dumping goods with intent to destroy an Australian industry, and thereupon he would issue a certificate. It would contain the particulars stated in sub-clause 2 of clause 19, namely—

- (a) the imported goods;
- (b) the Australian industry and goods;
- (c) the importer;
- (d) the grounds of unfairness in the competition;
- (e) the name, address, and occupation of any person (not being an officer of the public service) upon whose information he may have acted.

But before issuing that certificate to the Minister, the Comptroller-General would have to give the importer an opportunity of showing cause against its issue. It might be that the Comptroller-General would put before the importer the fact that he had bought the goods abroad at a ridiculously low price. And at that stage, as between the Comptroller-General and importer that would be *prima facie* evidence of unfair competition or intended unfair competition. If the importer could satisfy the Comptroller-General that, notwithstanding that fact, it was not his intention to enter unfairly into competition with an Australian industry, the certificate need not go on. But if he failed to satisfy, or did satisfy, the Comptroller-General, and the latter still forwarded the certificate on to the Minister, then the matter would not be determined, but would, by order in writing, be referred by him to the Justice. What he would refer would not be the mere fact whether the man had bought cheaply abroad, but the investigation and determination of the question whether the imported goods were being imported with the intent to destroy an Australian industry. Of course, the Justice would also take into consideration the fact if it were established before him, that the goods were bought cheaply abroad, and give to the importer the opportunity of disproving that he had the intent alleged against him.

Senator MULCAHY.—Suppose that a man had made at Home a very large purchase of a particular article, say ladies' mantles, quite innocently, and with intent to carry on his business in the ordinary way, could

that be construed into an intent, if it actually had no such effect?

Senator KEATING. — Undoubtedly. The Justice could, perhaps in error, draw an inference from certain circumstances, which my honorable friend would not. But it would all depend first upon the evidence which would be furnished to the Comptroller-General, and secondly upon the evidence which would be furnished to His Honour, and the effect which it would have upon his mind. We are anticipating the discussion of the provisions to some extent. I think my honorable friend will see that the fact of buying cheaply abroad would not end the matter, so far as the importer was concerned. A procedure of a somewhat lengthy character would then have to be followed, and that would necessitate a considerable amount of investigation, during the course of which the importer would have every opportunity to display his *bona fides*. As one who has spoken in favour of preferential trade with Great Britain, not merely at the last election, but at the first election, I am extremely gratified to find so many adherents to that principle during the course of this discussion.

Senator DOBSON.—Yes; but we do not mean to raise the duties against the foreigner, and to leave them as they are against Great Britain.

Senator KEATING.—I do not know what my honorable friend means; but when the opportunity comes to put this question to a practical test I shall certainly welcome his support. This part of the Bill deals with what we might call illegitimate competition with Australian industry. If my honorable friends say, "Very good, let this provision stand so far as illegitimate competition comes from abroad, but let us exempt English trade," does not that postulate the possibility of illegitimate competition coming from England? If, however, no reference were made to any country we should stand in a far better position. Under no circumstances should we welcome illegitimate competition from any quarter. If it is bad it is bad wherever it comes from.

Senator DOBSON.—Because of the illegitimate trading of the United States it is proposed to penalize the mother country.

Senator KEATING. — The honorable senator told us a few moments ago that it is impossible to expect illegitimate competition from the old country. If we do not, then we are not penalizing her. If, how-

ever, we expressly exempted English traders from the penalties of illegitimate competition, we should at once practically put in the forefront of the Bill that we believe that our manufacturers were going to be competed against unfairly by them.

Senator DOBSON.—The whole of my honorable friend's argument depends upon illegitimate competition. Suppose that at the end of a London season a man were to buy a very large quantity of goods at a very low price?

Senator KEATING.—That has no bearing upon my argument at present. I am not discussing what is illegitimate trade in every instance. So far as we do agree with this part of the Bill, we agree that a certain class of trade, which we can only designate in general terms, is illegitimate and unwarrantable competition with our own industries, whether it comes from Great Britain, or elsewhere, and to which those of us who are opposed to it will object. If we set out in the Bill that if the competition comes from Great Britain it shall be exempted from the ordinary treatment meted out to the others, it will be an indication to the people of that country that we are inclined to believe that we may expect illegitimate competition to come from that quarter. I am sure that if Senator Dobson will only look at the matter in that way he will see that this is not an attempt to establish preferential trade, although it may be the preferential treatment in respect of a certain class of trade.

Senator O'KEEFE (Tasmania) [9.14]. —This is supposed to be a Bill for the preservation of Australian industries, and for the repression of destructive monopolies. If it were a Tariff Bill, or a Preferential Trade Bill, I could understand the perfervid speech of Senator Dobson, and the arguments of Senator Symon; but it is not a Bill which proposes to accord preferential trade to Great Britain, or any other country. Nor is it a measure which proposes to enact certain duties of Customs.

Senator Lt.-Col. GOULD.—It is rather better than a Tariff Bill.

Senator O'KEEFE.—It is a Bill for a specific object.

Senator DOBSON.—It is an out-and-out Protection Bill.

Senator O'KEEFE.—We have to read clause 16 in conjunction with clauses 17, 18, and 19. In sub-clause 2 of clause 18 I find that, in the following cases, the com-

petition shall be deemed to be unfair unless the contrary is proved:—

- (a) If the competition would probably or does in fact result in an inadequate remuneration for labour in the Australian industry.
- (b) If the competition would probably or does in fact result in creating any substantial disorganization in Australian industry or throwing workers out of employment.

When I read those two paragraphs, I ask, is the hardship going to be any less to the Australian workman if he is thrown out of employment by the dumping of goods that come from Great Britain rather than it would be if they came from any other country? Will the hardship be any the less to starving wives and families, or to those whose capital is invested in Australian industries? I remind Senator Dobson that these dumping clauses are not aimed at Great Britain, or any other part of the world, but are aimed at the goods of any or every country. The remarks of the honorable and learned senator would lead one to believe that the clauses were aimed at Great Britain as a kind of insult.

Senator DOBSON.—I did not say the clauses were aimed at Great Britain, and I merely asked that Great Britain should be exempted.

Senator O'KEEFE.—It is not England, or any country which inflicts the injustice, but a few manufacturers in England, Canada, America, or any other country.

Senator Sir JOSIAH SYMON.—I point out that under the Bill it is not the manufacturer in Great Britain who is penalized, but the importer in Australia who brings the goods.

Senator O'KEEFE.—That is a view which may very properly be taken by such an ardent free-trader as Senator Symon; but as a protectionist I do not desire the benefit of temporary cheapness if it is to be obtained at the expense of permanent injury to Australian industries and workmen. I repeat that it is not Great Britain as a country which is aimed at, but the manufacturers of Great Britain, and, therefore, the question as to whether the legislation is an insult to Great Britain ought not to enter into the discussion. The question is whether this legislation is right and proper as applied to manufacturers, trusts, and combines in any part of the world, including Great Britain. This is not a Preferential Trade Bill, nor a Tariff Bill, but a measure which, as shown on the face of it,

is intended to preserve Australian industries, and repress destructive monopolies which may do injury to Australian industries, and, incidentally, throw Australian workmen out of employment. It is because I think there is a danger of that kind that I support the Bill as it stands.

Senator Lt.-Col. GOULD (New South Wales) [9.19].—I am glad that Senator Symon has proposed this new clause, because it affords an opportunity to hear what certain honorable senators have to say in order to excuse themselves for not adhering to principles which they advocated on the hustings, and which sounded very grand and noble, but which I know they, as protectionists, cannot possibly believe in.

Senator TRENWITH.—The honorable and learned senator does not know.

Senator Lt.-Col. GOULD.—I only judge by circumstances.

Senator O'KEEFE.—The honorable and learned senator never heard me say anything about preferential trade.

Senator Lt.-Col. GOULD.—That is probably because I never heard the honorable senator on the hustings. At any rate, protectionist senators have gone from place to place throughout the Commonwealth advocating preferential trade, and condemning free-traders on the ground that the latter are not in favour of the principle. But the Commonwealth has been in existence now for six years, and I ask whether any one of those honorable senators has raised a finger to bring about preferential trade. As a matter of fact, preferential trade has simply been used as a parrot cry in order to cajole the electors. The Prime Minister, like his colleagues and followers, has gone from place to place talking about preferential trade, and about binding the Empire closer together; and in this way the people at Home have been led to believe that some offer in this connexion has been made by Australia. Has any offer been made, or will any offer be made? Canada has shown a desire to bring about preferential trade; but honorable senators opposite, with their views on protection, will do precious little in favour of preference to Great Britain, while they are prepared to take all they can get from the mother country. Honorable senators who have spoken to-night have given what they believe to be excellent reasons to excuse themselves for refusing to give the slightest preference to Great Britain.

Senator BEST.—To excuse themselves!

Senator Lt.-Col. GOULD.—Yes. We have been told that the amendment is an insult to Great Britain. As a matter of fact, the amendment really is a declaration that we are not attempting to legislate against the mother country.

Senator TRENWITH.—That is obvious throughout the Bill; we are legislating only in defence of ourselves.

Senator Lt.-Col. GOULD.—But how does the honorable senator propose to bring about preferential trade or treatment?

Senator TRENWITH.—Quite easily.

Senator Lt.-Col. GOULD.—Is it by raising a barrier high enough to keep out British goods, and then building a barrier a little higher in order to keep out the goods of other nations? We are told that protectionists are prepared to raise the Tariff as against the foreigner, and to leave it as at present against the Britisher.

Senator Sir JOSIAH SYMON.—In short, the protectionists desire prohibition against British goods, and a little more prohibition against foreign goods.

Senator Lt.-Col. GOULD.—One honorable member has declared that he is willing to lower the duties in favour of Great Britain while keeping the Tariff as at present against foreign nations. By that means, we should be able to give the Britisher an opportunity to get some footing in our markets in preference to the foreigner.

Senator TRENWITH.—Then the honorable senator's argument really is that nobody has a footing in our markets now?

Senator Lt.-Col. GOULD.—I know that the honorable senator will, if he can, take care to prevent anybody getting a footing in our markets unless manufacturers come to one of the States to manufacture the goods required by our people. Of course, that is quite right from a protectionist stand-point, and if I were a protectionist, I should throw on one side all this talk about preferential trade. There are precious few protectionists who believe in giving preference to Great Britain. They are quite willing that Great Britain should impose a duty on wheat as against the foreigner, because then Australians might get command of the market and obtain better prices. But, if we get an advantage of that kind, we must give something in exchange; in any case, I do not believe the mother country would impose duties as against outside people in favour of the

Australian Commonwealth if we will not do anything to advantage the mother country.

Senator STYLES.—Then the honorable senator is a preferential trader?

Senator Lt.-Col. GOULD.—The honorable senator knows that I am a free-trader. Of course, we realise that the new clause will not be adopted, but, as I have said before, I am glad that it has been proposed, because it has caused honorable senators to show that, after all, they are not such ardent preferential traders as they try to lead the electors to believe.

Senator STEWART (Queensland) [9.25].—For several reasons, I intend to vote against the proposed new clause. First, I do not consider that this is a proper Bill in which to deal with the question of preferential trade, which, so far as I understand it, is a matter of negotiation between Great Britain and the Commonwealth. I do not know whether any distinct offer has been made by the Commonwealth.

Senator TRENWITH.—No statutory offer has been made, but so far as can be done without a Statute, there has been an offer.

Senator Lt.-Col. GOULD.—Without pledging the Commonwealth to anything.

Senator STEWART.—At the last general election in Great Britain, the people declared by a large majority for free-trade, as against the principal of preferential trade. That being so, I do not see how we can approach the people of Great Britain on the matter, and I really see no reason why we should. What is the object of the Bill, and what ought to be our object here as members of the Australian Parliament and citizens of the Australian Commonwealth? The object of the Bill is the preservation of Australian industries, and our object as members of this Senate, and as citizens of the Commonwealth, ought to be the preservation of such industries as we have, and the creation of new industries. Surely that is an end which every Australian ought to assist to attain. Some honorable senators have said that we get cheap goods, which are dumped down at the end of every season, whereby the people of Australia benefit. There may have been benefits in the past, when we had no manufacturing industries of our own, but now that we are endeavouring to manufacture such goods as we can ourselves, it would be the most foolish policy imaginable to allow anything in the shape of dumping to take place. In my opinion,

it is absolutely impossible to establish new industries unless we take precautions against dumping. It is almost as impossible to establish an industry, if we permit competition by the great firms in Europe and America, as it would be to fortify Melbourne under the fire of an enemy. If we are to raise fortifications sufficient to protect us against invasion, we must do so before the enemy appears in sight. If we are to protect our industries in such a way that they will grow strong enough to look after themselves, we must do so by establishing some barrier against dumping. I do not know whether the aspect of the question to which I am about to refer has ever struck honorable senators, but it always appeals to me with very great force. All trade is war — all commerce is war. Hundreds of thousands of lives are sacrificed every year in the war of commerce as remorselessly as in wars between nations. Men are mowed down by the hundred and the thousand just as surely in commerce as they are by the bullets and bayonets of an enemy. Our object here ought to be to do everything in our power to prevent people being destroyed by any such system. Some people will tell us that we cannot afford to dispense with the cheap goods which other countries—from philanthropic motives, I suppose—send to us. Can we not? Why, as a matter of fact, is there at the present moment such a superfluity of capital in Australia that people are rushing all over the place looking for investments and unable to find them? Large sums of money are being sent to Great Britain for investment. Wealth that has been wrung out of wool, out of mines, from agricultural sources, and from other veins of industry, has been accumulating to such an extent that it is difficult to find profitable fields for its employment. We are producing, as our statisticians and politicians are fond of telling us, more wealth per head than any other people in the world. I want to see that wealth distributed somewhat more equally than it is. Let us use some portion of it to create industries in our midst that will give employment to our young men and our young women. That ought to be the desire of every man who loves this Commonwealth and who wishes to see it prosper. It does not matter to me whether dumped goods come here from America or from Great Britain. I am opposed to them in either case. As regards

the unpopularity of which Senator Dobson has spoken; I do not care "two dumps" about it, to use a vulgar phrase. It does not trouble me what Great Britain thinks of our legislation. We must stand upon our own legs, not lean against Great Britain or any other nation. We have borrowed large sums of money, and we will pay every farthing of it. We have never failed to pay our annual interest promptly, and I do not think we ever shall. I do not see where the obligation comes in. If we want money, and Great Britain will not lend it to us, we can get it from New York, which is rapidly becoming the financial centre of the world. In a few years we shall not need to go outside Australia for money to develop our resources. We shall, I trust, be able with money of our own, not only to develop such industries as we have, but also to establish new ones. The nearer we approach to that time the better I shall like it. Therefore I shall vote against the amendment.

Senator DE LARGIE (Western Australia) [9.33].—It is quite refreshing to observe the enthusiasm which the members of the Opposition have infused into the debate, when we remember that some of the leaders of the free-trade party have been talking about sinking the fiscal issue. It shows that, after all their talk, the "dry dog" is going to be allowed to live for a little while longer. The members of the Opposition have been refurbishing the old arguments for free-trade, which we understood was to be thrown overboard. But the laughable part of the debate is that nearly all the speakers who have supported Senator Symon's proposal are members of the legal fraternity. I should like to know how much preference they would give to British lawyers who might come here. Why, these lawyers are so very narrow that, even when a member of their own profession crosses the borders of one of the States, they will not allow him to practice in a State in which he has not been formally "admitted." These are the men who get up and lecture us on the principles of preference! Why should we give any preference to Great Britain? Is she giving any preference to us? After all, the question is not one of preference in trade, but of preference in dumping. If dumping is an evil, why should it be any less an evil because it is practised by merchants in Great Britain rather than by those of any other country? Senator Dobson tried to make a great deal out of the

are very much more virtuous than are those of other countries—that they do not practise the same kind of commercial morality as marks the conduct of Americans, for example. For the life of me, I cannot see the slightest difference. I believe that there is quite as high a standard of commercial morality in the United States as in England. It is all a question of profit. I lived long enough in the old country to know that the same unscrupulousness in trade obtains in the United Kingdom as in other parts of the world. It is true that I came from a part of the British Isles where the commercial morality is perhaps a little higher than it is in England; but even in the place where I had the honour to be born I found that merchants and shopkeepers were prepared to practise commercial trickery, and to palm off on customers articles from which they could derive the greatest amount of profit. We need not be surprised at that. It is the sort of thing that prevails everywhere. I should like to know why I should go out of my way to force principles upon the people of the old country that they have formally repudiated. It is only a few weeks since there was a general election in Great Britain. What was the result? The issue turned to a considerable extent on the fiscal question. The matter of preference was placed before the electors; but they did not agree with that principle. Why should we force it upon them when they are not inclined to accept it? I hope that the amendment will be negatived.

Senator PULSFORD (New South Wales) [9.38].—I find that I omitted one sentence from the article from the *British Australasian* which I quoted earlier in the debate. I think I should have read it. It is as follows:—

This Bill is the necessary complement of a measure which, as we hope, will be presently introduced into the Australian Legislature, providing for preference in Australia to English-made goods against those of any foreign country.

Honorable senators cannot but take notice of the strong view that is being expressed in England, and of the keen expectations there entertained of something like Senator Symon's amendment being adopted by this Parliament. What feeling concerning this debate will be entertained in England? It has thrown a strong, almost a lurid, light on the possibilities of preferential trade. The same

will be expressed when any proposals for preference are brought forward. We shall be told that preference cannot be given to Great Britain because goods from foreign countries will be sent through England. All sorts of assertions will be made with a view to show how impossible is any policy of the kind. But one thing is very clear to me—that if Australia were not federated to-day, we should have Victoria and some of the other States passing on their own account Bills such as this. We should have parties in Victoria fighting for Bills to prevent the dumping of goods from the surrounding States; and we should have the other States following suit. This consideration will give honorable senators some idea of the policy which we are pursuing towards Great Britain.

Senator GIVENS (Queensland) [9.40].—It is quite exhilarating to one who, like myself, has been quietly listening to the debate to find that those honorable senators who all their lifetime have been posing as great free-traders, and as opponents of anything that interfered with trade, are now posing as the champions of preference. Senator Pulsford has frequently, by writing, on the public platform, and in this Senate, declaimed against the principle of preferential trade.

Senator PULSFORD.—I have not changed a fraction.

Senator GIVENS.—But he is an ardent champion of preference in connexion with this Bill. All that the Bill proposes to do is to prevent certain things being done which would injure Australian industry. It is intended to prevent unfair and illegitimate competition. It does not matter a straw to the people of Australia whether the illegitimate competition comes from Great Britain, the United States, or any other country. Our people ought to be protected against it, no matter whence it comes. My principle is to prohibit any one from doing anything to injure the industries of this young nation of ours. Those honorable senators who are in favour of subjecting the people of Australia to illegitimate competition will next be wanting to give a preference to British burglars. That is the logical outcome of their arguments.

Senator WALKER.—Does the honorable senator hold that the Australian burglary industry ought to be protected?

Senator GIVENS. — Senator Walker certainly wants to give the British burglary industry a preference. He wants by means of illegitimate competition to give certain people a right to injure the industries of Australia, and to rob our workers at their own sweet pleasure. It is almost impossible to imagine Senator Walker filling the part of the man described by Byron as—

The mildest mannered man
That ever scuttled ship or cut a throat;

and yet he does it! We desire, if possible, to protect Australian industries and the Australian people from the evils which trusts and combines have been shown to have inflicted on the industries and people of other countries. That is a perfectly legitimate object; but we may differ as to whether this Bill will accomplish it.

Senator Lt.-Col. GOULD.—Does the honorable senator think that it will?

Senator GIVENS.—I do not believe that it will be found to be as effective as some of its friends desire, or as some of its opponents believe it will be.

Senator Lt.-Col. GOULD.—It will be like a chip in porridge.

Senator GIVENS.—To some extent I believe it will. At the same time, while we are making the attempt to pass this legislation, we should do all we possibly can to make it effective, and we certainly should not deliberately try to render it ineffective. An amendment which is designed to permit illegitimate competition, with the object of injuring Australian industries, is one which any Australian who has the welfare of the country at heart should be ashamed to advocate. I am opposed to the amendment as something which is designed to weaken the effect of the Bill. I feel sure that the Committee will not assent to it, and I am therefore prepared to allow it to go to a vote without saying anything further on the matter.

Question—That the proposed new clause be inserted—put. The Committee divided.

Ayes ...	...	...	9
Noes ...	...	...	17
Majority ...			8

AYES.

Baker, Sir R. C.	Pulsford, E.
Drake, J. G.	Symon, Sir J. H.
Gould, A. J.	Walker, J. T.
Macfarlane, J.	Teller:
Mulcahy, E.	Millen, E. D.

NOES.

de Largie, H.	Playford, T.
Findley, E.	Smith, M. S. C.
Givens, T.	Stewart, J. C.
Guthrie, R. S.	Story, W. H.
Henderson, G.	Styles, J.
Higgs, W. G.	Trenwith, W. A.
Keating, J. H.	Turley, H.
McGregor, G.	Teller:
Pearce, G. F.	O'Keefe, D. J.

PAIRS.

Dobson, H.	Best, R. W.
Clemons, J. S.	Croft, J. W.
Gray, J. P.	Dawson, A.

Question so resolved in the negative.

Proposed new clause negatived.

Clause 17—

Unfair competition has in all cases reference to competition with those Australian industries the preservation of which, in the opinion of the Comptroller-General or a Justice, as the case may be, is advantageous to the Commonwealth, having due regard to the interests of producers, workers, and consumers.

Senator DRAKE (Queensland) [9.55].—I wish upon this clause to state the reasons why I think that, as a means of protecting local industries, a Tariff is preferable to the provisions of this Bill. A Tariff deals fairly with all industries affected by it. If we increase the protective duties imposed we give a benefit to that extent to all the industries concerned. In this clause, however, a discriminating power is given to the Comptroller-General or a Justice to say which industries shall receive the protection of this measure. Without contravening the Standing Orders, I think I might refer honorable senators to the last sub-clause of clause 18, which provides—

In determining whether the competition is unfair, regard shall be had to the efficiency of the management, the processes, the plant, and the machinery employed or adopted in the Australian industry affected by the competition.

I understand that the construction put on that provision by Ministers is that the protection of this measure shall not be extended, generally speaking, to any industry unless its processes, plant, and machinery are up-to-date. That is to say, unless it is a top-notch industry it is not to be entitled to the benefit of the protective provisions of this Bill. What is almost certain to happen is that the Comptroller-General, when called upon to discriminate between industries, will refuse the protection of this measure to those that are young and struggling, and that most require help. It is always advisable, where possible, to quote a concrete case to illustrate an argument. It may not always

be the strongest case, or entirely appropriate, but it helps to concentrate attention on the way in which a measure will probably be found to work. On the second reading I referred to the way in which the Bill would probably operate in connexion with one of the small industries of Queensland. What I said was this—

The provision will operate most unfairly if it operates at all in regard to a State like Queensland. Suppose we wanted foreign coffee to be prohibited for the benefit of the small coffee industry in Queensland?

On that Senator Playford interjected—

If it were a small industry it could not supply the whole of the wants of the Commonwealth. The importation of coffee will not be prohibited for the benefit of a small industry like that. It would be absurd. We should stop all coffee drinking if we did that.

We have in Australia a number of industries scattered over the enormous territory represented by the various States. We may have the same industry in different stages of development in different States. In one it may be employing a great number of hands, and may be carried on with the most modern plant and machinery and up-to-date processes, whilst in another it may be in a comparatively infant condition, and giving employment to comparatively few hands. I take again the case of the coffee industry in Queensland, and in connexion with that I might again emphasize what I mean. We have imposed a protective duty of 3d. per lb. on coffee for the protection of coffee-growers, whether large or small, and that I think is the better means of protecting the industry. But when we come to use this method of prohibition for the purpose the result may be exactly as I have suggested. A complaint may be brought under the notice of the Comptroller-General that the coffee industry is being swamped by importations from abroad, and if that officer takes the same view of the matter as does the Minister he will say, "That is only a paltry little industry carried on away in a remote part of Australia. Let it go; it is not worth preserving. Let us attend to this complaint which comes from the proprietors of a big factory in Melbourne, where they have up-to-date appliances, and let us consider what their complaint is. That is the kind of industry we must protect." Why should there be this discrimination?

Senator Sir JOSIAH SYMON.—I should think that it would be the small industries that would require to be coddled.

Senator Drake.

Senator DRAKE.—That is not what is provided for by this Bill. Clearly, from the way in which this measure is to be interpreted, the benefit of it is to be reserved for factories carried on with the most modern processes and up-to-date plant and machinery.

Senator PEARCE.—If there is anything in the contention that an industry can be destroyed by dumping, surely the honorable and learned senator does not desire that a full-grown industry should be destroyed any more than an infant industry?

Senator DRAKE.—Why should the small industry be required to wait until the big one calls out? It may be unavoidable, but the small industry may be just as much hampered by the big Australian industry as by importations from abroad, when we take into account the protection which each may be given under the Tariff. The small industry may go on struggling and be at length squeezed out of existence by the operation of the big Australian factory and the importations from outside. It will be unable to obtain any protection under this Bill, because when those concerned in it make a complaint, the Comptroller-General will say, "This is only a paltry affair, and is not worth preserving."

Senator MULCAHY.—This is a Commonwealth measure, and will cover the whole of the industry in the Commonwealth.

Senator DRAKE.—If the proprietors of a big up-to-date factory ask that the provisions of the Bill be put into operation for their benefit, that may be done, and the small man may secure a benefit as the result. But he would not get any benefit until the big man cried out.

Senator O'KEEFE.—That would not necessarily be so.

Senator DRAKE.—The clause need not necessarily have the effect of stopping importations all over the Commonwealth. Suppose that a complaint were made in regard to a shipment which was coming, perhaps, to a port in a State, and that action were taken under the Bill. The shipment would be held up simply for the benefit of the industry in that part of the Commonwealth, and if no other complaints were made, shipments under similar circumstances might continue to come to other ports.

Senator PEARCE.—There is no clause which specifies any particular shipment.

Senator DRAKE.—The clause does not mention a particular shipment. But sup-

pose that a complaint were made that an importer was importing certain goods. If he were found guilty, his goods, or the amount which had been deposited, would be confiscated. But other importers, if no notice were taken of their action, could continue to import into other parts of the Commonwealth under exactly similar conditions.

Senator TURLEY.—Surely the persons who were interested would call attention to the other imports coming in, if they were coming in under similar conditions.

Senator DRAKE.—Perhaps they might not be coming in under exactly similar conditions. It is not, as I thought it was when I first read the Bill, as though there would be a prohibition that certain goods should not be imported to any part of the Commonwealth and sold at a certain price.

Senator PEARCE.—The clause is open to that construction.

Senator DRAKE.—I cannot find that it is, and in the debate on the second reading I think that one of the Ministers indicated that, according to their reading, the prohibition would apply to only a particular importer. I think, at the present time, although I am open to conviction on the subject, that each case would have to stand on its own merits.

Senator MULCAHY.—That would be giving a mere local application to the Bill.

Senator DRAKE.—It appears to me that, even if the prohibition were to apply to all parts of Australia, the Comptroller-General could still discriminate as to where the benefits of the Act should be given, and where they should not be given. Let me take the case of another trade which, I think, will appeal to a good many honorable senators, and that is the manufacture of buggies. Some factories in the country are not what might be called right up-to-date, in that they are not equipped with the latest machinery and appliances. It would seem that, by clause 18, they would be excluded from the operation of the law, because it says—

In determining whether the competition is unfair regard shall be had to the efficiency of the management, the processes, the plant, and the machinery employed or adopted in the Australian industry affected by the competition.

That seems to mean that before a manufacturer could ask that the power of prohibition should be put into operation for his benefit, he would have to show that there was no fault whatever in his management, and that his processes,

plant, and machinery were up-to-date. The manufacture of buggies is carried on all over the Continent, but in a great many places it must be carried on under circumstances which do not tend to the most efficient means of production. For instance, a small country factory, which turns out a score of different kinds of buggies in the year, is at a very great disadvantage, and it seems to me that, according to clause 18, country factories would not get the benefit of the Act at all.

Senator FINDLEY.—If they were able to compete against up-to-date factories within the Commonwealth they would not be affected by the Act in any way.

Senator DRAKE.—Distance might help them there, although, in that case, they would not get the benefit of the import duty. They might be struggling along against the competition of large up-to-date factories in the big cities. Suppose that a complaint came from a buggy manufacturer in an out-of-the-way part of the Commonwealth to the Comptroller-General, that he could not stand against the competition of the imported article at the present duty. Apparently, that officer would have a discriminating power to refuse any help to that factory. He could say, "No, this protection is not being asked for elsewhere, and yours is a paltry affair, which is not worth preserving." That position would continue until a big up-to-date factory cried out, and when it did, then the Comptroller-General, I presume, would say, "This is an important industry, which employs a great number of hands in one of the big States, and it must be protected; consequently, we shall put the provisions of the Act into operation."

Senator STYLES.—Does not the honorable senator think that he would protect the smaller ones?

Senator DRAKE.—When I look at sub-clause 3 of clause 18, I think not. When I quoted the Minister's words with regard to the coffee industry in Queensland, it looked to me as if the Comptroller-General had the same idea as the Minister had, that he would not look after the small factory, but would say, "This is a paltry affair in a remote part of Australia, and is not one of the industries worth preserving." If he will have to look after the small as well as the big industries, what is the meaning of the clause? Why should we not have a provision discriminating between those industries which are worthy of being

justification for the clause, and therefore I shall vote against it.

Senator MILLEN (New South Wales) [10.8].—Senator Drake has raised the question of whether, when a complaint had been lodged with regard to a particular shipment it would have any effect upon other similar shipments by other individuals. If honorable senators will turn to sub-clause 1 of clause 21 they will find that under that provision the Justice will have the power if he sees fit—

to inquire as to any goods, things, and matters whatsoever which he considers pertinent, necessary, or material

Furthermore, sub-clause 4 of that clause says—

In addition to the Comptroller-General and the importer, the Justice may, if he think fit, allow any person interested in importing imported goods to be represented at the investigation.

It appears to me that those two provisions are intended to meet just such a case as Senator Drake has referred to. Suppose that a shipment of a particular line of goods were being made to Brisbane, the authors of the Bill evidently recognised that it would be idle to stop the shipment if simultaneously other shipments were taking place to other ports. Therefore, the Justice has been empowered to take note of every shipment similar to the one in respect of which a complaint has been lodged, and then as equity required to grant a status to persons interested in the other shipments to which his attention had been directed.

Senator DRAKE.—I doubt that.

Senator MILLEN.—I now come to what I take to be the main argument addressed to the Committee by the honorable and learned senator, and, if I understand it aright, it really amounts to a plea for inefficiency. He has stated that if the Bill were put into operation it would only be done in the interest of large, well-equipped and up-to-date factories, and that the little establishments scattered about Australia, which we may assume would have a less efficient plant and less capable management, would not be benefited in any way. The honorable and learned senator must know that under the clause we are required to take into account, not merely the interests of those engaged in a particular industry, but also the interests of consumers.

Senator FINDLEY.—If a big manufacturer were affected he would make a

justice as he would.

Senator MILLEN.—Apparently Senator Drake has fallen into the error of regarding an industry as one particular establishment. The term "industry" as used in the Bill does not refer to a particular wheelwright's establishment in a remote country district, but it embraces all establishments of that kind which would be grouped under one head for statistical and other purposes. In the case of the industry of buggy-making, for instance, it would not be sufficient to say that a particular establishment in a certain State was being injured by the importation of foreign buggies; the onus would be thrown upon the complainant to show that the industry as a whole was being injured by the importation.

Senator MULCAHY.—That is certainly what ought to be provided.

Senator MILLEN.—I am not saying whether the clause is right or wrong, but merely stating that in my opinion it is intended to regard an industry as a whole. Whether that would give the amount of protection which is thought desirable is quite another matter. I would point out to Senator Drake that if we were to have a law to prohibit importations until the least efficient establishment in an industry was brought to an up-to-date standard, it would remove all incentive from the progressive establishments to produce economically for the people of the country.

Senator DRAKE.—That shows that the thing is wholly bad.

Senator MILLEN.—Surely my honorable and learned friend has not waited all this time to determine that the Bill is wholly bad! I am quite in accord with him, and no amendment which could be suggested could make the Bill good. At the same time I think it would be possible to insert an amendment which would make it even worse than it is, and the amendment suggested by my honorable and learned friend, if adopted, would make the Bill even worse than the successful efforts of the Government have done.

Senator Sir JOSIAH SYMON.—The honorable senator thinks that there is a lower deep than even this deep may reach.

Senator MILLEN.—I think that the Government have just missed that. It is utterly revolting to all our ideas of

progress that we should take as the standard of industry, not the most efficient or the best managed branch, but the least efficient and worst managed.

Senator Sir JOSIAH SYMON.—That is not what Senator Drake points out.

Senator MILLEN.—What Senator Drake points out is that there is no help for the inefficient establishment, and his object must be to urge that the Bill ought to protect and help it.

Senator DRAKE.—By a protective duty.

Senator MILLEN.—I do not see how we could help these little struggling establishments by a protective duty. Even if we had absolute prohibition, the little industry would still have to meet the competition of the big and well-equipped industry. In the buggy trade, for instance, establishments spring up because locality and distance are, in themselves, sufficient protection. It is to a very large extent the local demand which induces wheelwrights to start in country districts; and this Bill will not affect them in any way. If these establishments were brought into competition with the bigger establishments in Sydney and the other cities, they would have to go down in the struggle.

Senator GIVENS.—They have the protection of distance.

Senator MILLEN.—The protection of distance and circumstances.

Senator GIVENS.—Then, so far, protection is effective to establish industries.

Senator MILLEN.—Undoubtedly, if my friend calls that protection; but it is protection apart from law. It is a perfectly free-trade industry, inasmuch as those engaged in it are not enabled by means of a Tariff to take more out of my pocket than I am willing to part with. I emphasize the fact that Senator Drake, if I correctly understood him, appeared to think that we should take as the standard of the Australian industry worth preserving, not the most efficient, but the least efficient in any particular line.

Senator PLAYFORD (South Australia—Minister of Defence) [10.18].—I am pleased to say that the honorable senator who preceded me has saved me the trouble of advancing a number of arguments. I agree with almost every word said by Senator Millen, who has, in my opinion, demolished Senator Drake most completely. Senator Drake did not keep closely to the

clause, but dealt with the Bill in a general way. He started with a false assumption that if a complaint were made against a shipment of goods, as destroying an Australian industry, prohibition would be brought about. It does not necessarily follow that prohibition would result from any such complaint, but, on that false assumption, Senator Drake was led on to a false conclusion regarding the little industry of coffee-growing in Queensland. If the honorable senator will look at clause 22, he will see that the determination, when published, will have the effect of a proclamation under the Customs Act 1901, "prohibiting the importation of the goods either absolutely or subject to those conditions or restrictions or limitations as the case may be." It is not necessary, therefore, to prohibit the importation of goods in every case; and the small industry of coffee-growing in Queensland will not be affected by the Bill. That industry has a protective duty of something like 3d. per lb., and such prohibition as the honorable senator alluded to would be most stupid, because it would mean that the great majority of people in Australia would not be able to use coffee.

Senator Sir JOSIAH SYMON (South Australia) [10.20].—I am also very glad that the third Minister in the Senate has so lucidly expounded the views of himself and his colleagues on the subject; but I think we have drifted a little from what was said by Senator Drake. The first criticism of that honorable senator was that the Comptroller-General can only act on a complaint as against a specific importer of specific goods. According to clause 19, when the Comptroller-General receives a complaint, and has reason to believe that any person, either singly or in combination, is importing goods with intent to destroy or injure an Australian industry, he has to deal with a specific importation by a specific person, who may be a company. That complaint may be made in Melbourne, while another importer in Adelaide would be importing the same goods, in regard to which no complaint had there been made, and which, therefore, would not be subject to prohibition. Senator Drake points out that such a state of things is not intended by the Bill. Senator Millen was under the impression that this position could be remedied by sub-clause 2 of clause 21, and sub-clause 4 of the same clause; but I think the honorable senator will see that that is not so.

The Justice, in inquiring into the matter, and determining the question under sub-clause 5 of clause 19, may, of course, inquire as to such goods and matters as are material to the question of whether the particular shipment interferes with an industry; he cannot under that complaint inquire whether other shipments have been admitted without complaint in Adelaide or any other port of the Commonwealth. Therefore, under the clause as now framed, there might be prohibition of a shipment in Melbourne with the risk of confiscation, while whole shipments of the same goods were being admitted in other States, from which they might be poured into Victoria.

Senator PEARCE.—I think the amendment of which I have given notice would meet that case.

Senator Sir JOSIAH SYMON.—If so, I shall be very glad. I merely wish to emphasize what Senator Drake said, and to point out that this is a matter which ought to be remedied. But the more one discusses the Bill the more one sees how absurd, complex, and useless it proves to be. If the position be as Senator Drake understands it, it is certainly very serious and vicious to place an instrument on the statute-book which might be made the means of crushing a struggling industry for the benefit of a large and established industry. Senator Millen drew attention to the fact that a large industry, with up-to-date machinery and management, might be willing to stand by and see the small industry crushed out by importations, before making any complaint of injury. That would be a very unfair position. Then a burden too heavy to be borne is placed on the Comptroller-General when he is asked to say whether an industry is advantageous to the Commonwealth, having regard to the efficiency of management, the processes, plant, and machinery. If that means anything it means that if the plant is not up-to-date the industry will not be worth preserving. I agree with Senator Millen that clause 18 does not really bear that meaning, at any rate in regard to the first part, because if it were so it would be necessary to read the word "industries" as "businesses." It is not "businesses," but "industries," as Senator Millen has pointed out, that are dealt with. Just think what the clause is, considered along with the antecedent clause. According to the interpretation, "industries" does not include industries in which the majority of the workers

do not receive adequate remuneration, or are subject to unfair terms or conditions of labour or employment. I make no complaint, but this might have the effect of preventing an industry receiving the benefit of the Bill and protection against dumping, at the behest of the workers engaged in it. I am not complaining of that. It is only another way of expressing the principle of preference to unionists. But what I complain of is that it is left to the Comptroller-General to put the law in motion. The Comptroller-General has to be satisfied whether there is an adequate remuneration for labour and whether proper conditions are being observed in the industry. In order to find that out, he has to make an independent investigation, and he may declare that remuneration to be inadequate which perhaps the Wages Boards and the Conciliation and Arbitration Courts of the States have declared to be adequate. He is not to be bound by their decisions. We are setting up a new and independent tribunal which may declare that the decisions of these Boards and Courts do not provide for an adequate remuneration.

Senator PLAYFORD. — He is not very likely to do it though.

Senator Sir JOSIAH SYMON.—Is the Comptroller-General to have a free hand or to be shackled? If he is to have a free hand, what is there in this Bill to compel him to recognise the decisions of Wages Boards and Arbitration Courts?

Senator GIVENS.—He will take their decisions as a guide.

Senator Sir JOSIAH SYMON. — He may. But no one can deny that we are setting up an antagonistic tribunal.

Senator MULCAHY. — And taking away the functions of the States.

Senator Sir JOSIAH SYMON. — I do not wish to follow up what is called the boggy of States rights, though Senator Mulcahy is quite right in his interjection. Why should we give a Commonwealth officer power to reverse decisions arrived at by States Wages Boards and Arbitration Courts?

Senator PLAYFORD.—All that the Justice or the Comptroller-General can do is to say that the wages paid in an industry are not sufficient, and he may thereupon refuse to grant relief under this Bill.

Senator Sir JOSIAH SYMON. — That is exactly what may happen.

Senator PLAYFORD.—But the decisions of Wages Boards have nothing to do with dumping. The Comptroller-General has.

Senator Sir JOSIAH SYMON. — The Government in this Bill has provided that industries are to be protected against dumping, and before the dumping clauses are put into operation the Comptroller-General has to be of opinion that the remuneration of the workers and their conditions of labour are satisfactory. My point is that these matters are settled in the States by proper tribunals. Why should we enable a Commonwealth officer to say that a particular industry in South Australia shall not be protected against dumping because the wages are not adequate, although a State Arbitration Court may say that they are? Is that a right thing to do? Is that what the Senate, which is supposed to protect the rights of the States, ought to do? I agree that what is meant by the Bill is an industry and not merely a business here and there. It is not merely an industry in a particular State that is referred to. Unless it can be shown that in an industry the majority of the workers all over Australia are receiving adequate remuneration, and that that industry all over Australia is in the opinion of the Comptroller-General advantageous to the Commonwealth, there is no protection against dumping for it. Is not that ridiculous? I know that it is hopeless to try to amend the Bill. But this point is well worthy of the consideration of the Minister and his colleagues. I say that in all seriousness, and I hope that between now and to-morrow they will see whether they cannot change the phraseology so as, at any rate, to make the Bill attain the purposes desired in a really sensible and effective way.

Senator DRAKE (Queensland) [10.39]. —This question has given rise to an interesting discussion upon side issues. The point taken by Senator Millen, for instance, that this clause would operate as an all-round prohibition throughout Australia, is one with which I cannot agree. My opinion upon that point is that of the Minister, and I think that Senator Symon holds the same view. I am not at all confusing businesses with industries. I agree that "industry" means a process of trade or manufacture carried on all over the Commonwealth. But I do not lose sight of the fact that the same industry may be carried on in different States under different conditions as to wages.

There are Wages Boards in some States, and in others there are none. In some States, wages may be much higher than in others. There will necessarily be different standards for the remuneration of labour in different States. I do not wish honorable senators to be in doubt as to what my objection to the clause is. I believe that, as a means of protecting industries, a Tariff is better than the system of prohibition provided by this Bill, because whatever the measure of protection may be, a Tariff operates upon the big man and the small man indiscriminately. But what will be the effect of giving the Comptroller-General power of his own motion to say that a certain industry shall be protected by the means provided by this Bill, and that another industry shall not be protected? I am supposing an industry which has first of all passed the first barrier, and is declared to be an industry within the meaning of this Bill. That is to say, it must be an industry in which the majority of the workers receive adequate remuneration, and are not subjected to unfair terms and conditions of employment. That industry in one State may be injured by importations in the manner described in clause 18, which sets forth the different kinds of injury constituting unfair competition. If there be an industry that fulfils those conditions, and which is at the same time being subjected to unfair competition, so that the workers are driven out of employment, it should be entitled to the protection of the Bill. It ought not to be within the power of one individual — the Comptroller-General—to declare that it is not worth preserving.

Question—That the clause stand part of the Bill—put. The Committee divided.

Ayes	...	...	...	15
Noes	...	...	...	6
Majority	...	...	...	9

AYES.

de Largie, H.	O'Keefe, D. J.
Findley, E.	Pearce, G. F.
Givens, T.	Playford, T.
Guthrie, R. S.	Smith, M. S. C.
Higgs, W. G.	Trenwith, W. A.
Keating, J. H.	Turley, H.
McGregor, G.	<i>Teller:</i>
Millen, E. D.	Stewart, J. C.

NOES.

Baker, Sir R. C.	Walker, J. T.
Drake, J. G.	<i>Teller:</i>
Gould, A. J.	Mulcahy, E.
Symon, Sir J. H.	

PAIRS.

Dawson, A.	}	Gray, J. P.
Croft, J. W.		Clemons, J. S.
Best, R. W.		Dobson, H.

Question so resolved in the affirmative.

Clause agreed to.

Progress reported.

ADJOURNMENT.

ORDER OF BUSINESS.

Senator FLAYFORD (South Australia—Minister of Defence) [10.48].—I move—

That the Senate do now adjourn.

In submitting this motion I may be allowed to state that I trust honorable senators will assist the Government to pass the few remaining clauses of this Bill as early as possible to-morrow, because it is necessary that we should consider the Constitution Alteration (Senate Elections) Bill, which will appear second on the paper, and the second reading of which my honorable and learned colleague desires to move. It is necessary that that Bill should be passed two months before the elections. It is being introduced very properly, I think, in the Senate, and must go on to another place. I trust that honorable senators, if they approve of the measure, will be prepared to assist us in passing it as early as possible.

Senator MULCAHY.—Will the Minister say whether he intends to afford an opportunity to deal with the Commerce Act regulations?

Senator PLAYFORD.—It is probable that the honorable senator will have the opportunity he desires to-morrow during private members' time, as I understand that Senator Dobson and some other honorable senators are willing to give way to him. If he is not given that opportunity, I shall be prepared to keep my promise, and give an opportunity for the discussion of the matter on Friday afternoon.

Question resolved in the affirmative.

Senate adjourned at 10.50 p.m.

House of Representatives.

Wednesday, 29 August, 1906.

Mr. SPEAKER took the chair at 2.30 p.m., and read prayers.

PETITION.

Mr. EWING presented a petition from certain Indian cane-growers, farm labourers, and general labourers, resident on the

Tweed River, New South Wales, praying that the House will protect them from the treatment to which they are subjected in being refused the bounty on cane, and in other ways.

Petition received.

COMMERCE ACT: BUTTER GRADING.

Mr. CHANTER.—On behalf of the honorable member for Moira, I desire to know whether the Minister of Trade and Customs has any statement to make with regard to the deputation which waited on him this morning with reference to the grading of butter?

Sir WILLIAM LYNE.—A deputation waited upon me this morning with a view to ascertain whether the description of butter under the grading system was to be of an exact character so far as the percentages were concerned. I have since looked into the matter, and have decided that the words "not exceeding" shall be used.

CONTINGENT VOTE SYSTEM. QUEENSLAND.

Mr. WILKINSON.—I wish to know from the Minister of Home Affairs what number of contingent votes were polled in the Queensland constituencies of Brisbane and Moreton at the first Federal election in 1901?

Mr. GROOM.—The honorable member intimated that he intended to ask this question. I have ascertained that the returns are not in Melbourne. They were retained in the Queensland office. The information desired has been telegraphed for, and will probably come to hand during the afternoon.

PAPERS.

The CLERK laid upon the table the following paper:—

Return to an order of the House, dated 26th July, giving particulars concerning Royal Commissions.

SYDNEY CENTRAL TELEPHONE EXCHANGE.

Mr. JOHNSON asked the Postmaster-General, upon notice—

1. Is it a fact that, contemplating a visit from the Federal Electrical Engineer to Sydney, great activity is being shown by the Postmaster-General's Department in having the Central and Branch Exchange switchboards and apparatus cleaned up, and that the telephone mechanic is making nightly visits (after his ordinary working hours) to various exchanges, inspecting the apparatus, &c.?

2. If it is necessary that this has to be done, will the Postmaster-General take steps to have inspectors or district supervisors appointed (as provided for in the Reclassification Scheme) to carry out these duties, and thus relieve the mechanician of having to perform these duties in his own time?

3. Is it a fact that the telephone test room had been allowed to get into a filthy condition, and that practically the whole of the staff were employed removing rubbish which had been accumulating for years, the ordinary work of the branch having to remain in abeyance until this work was finished?

4. If it is necessary that these cleaning operations should be done just at this time, in contemplation of a visit from the Federal Electrical Engineer, why are steps not taken to have these rooms always kept in a clean condition; and will the Postmaster-General see that the staff is increased to provide for this being done regularly, without interfering with the ordinary work of the branch?

Mr. AUSTIN CHAPMAN. — In reply to the honorable member's questions I have to state that inquiries are being made, and answers will be furnished as soon as possible.

ADMINISTRATION OF PAPUA.

Mr. BAMFORD asked the Prime Minister, *upon notice*—

1. Did the Chief Judicial Officer of British New Guinea, when asked to report on the "O'Brien Affair," state that the action of Mr. Griffin, A.R.M., "could not in my opinion be justified either under section 256 or otherwise."

2. Did the Prime Minister, in his speech on British New Guinea on the 23rd instant, say, "Undoubtedly Mr. Griffin made a mistake in the 'O'Brien Case'?"

3. Has the Acting Administrator (Captain Barton) ever reprimanded Mr. Griffin, or even expressed regret or dissent regarding the action he took?

4. Is the Mr. William Little appointed to the Legislative Council to represent the miners the same Mr. Little who, with the minority of the miners, upheld the action of Mr. Griffin?

5. Was Mr. Little recommended by Captain Barton for the Council?

6. Does the Minister think that Mr. Little's appointment will receive the general support of the miners?

Mr. DEAKIN.—The answers to the honorable member's questions are as follow :—

1. The concluding sentence of the report of the Chief Judicial Officer of the 17th January, 1906, is as follows :—"To shoot a man because 'he fails to go to the police' when called upon is essentially different from shooting him to prevent his escape, and could not in my opinion be justified either under section 256 or otherwise."

2. Yes.

3. Not that I am aware of. In a despatch of the 18th January, 1906, Captain Barton stated "Mr. Monckton (Mr. Griffin's superior officer),

will be duly apprised of the Chief Judicial Officer's opinion, and will be directed to act in accordance therewith in future."

4. I presume so, as the Mr. Little who is nominated for the Council comes from the Yodda field.

5. Yes, in pursuance of the recommendation of Mr. Monckton.

6. I hope so. I have no reason for thinking that a difference of opinion more than a year old regarding the propriety of certain official action in respect to an escaped criminal will prevent Mr. Little from adequately representing the community to which he belongs.

PAYMENT FOR SUNDAY WORK.

Mr. BROWN asked the Minister of Home Affairs, *upon notice*—

1. Is it a fact that claims for payment in respect of Sunday work by officers of the Clerical Division of the Commonwealth Service for the years 1904 and 1905 remain unpaid?

2. Is it a fact that a number of such claims have been disallowed; and, if so, what were the reasons for such disallowance?

3. Will he furnish a return showing the claims for Sunday work for the years 1904 and 1905 respectively, and how dealt with?

Mr. GROOM.—The matter with reference to which this question is asked concerns the Departments, and not the Commissioner. The information can only be obtained in the form of a return which I am informed by the Postmaster-General would cost about £200.

POSTAL OFFICIALS' OVERTIME.

Mr. JOHNSON asked the Postmaster-General, *upon notice*—

1. Is it a fact that officers in the Postmaster-General's Department in New South Wales are compelled to work overtime till 9 p.m. and 10 p.m., doing special work, and only receive tea money for same?

2. Under the Commonwealth Public Service Regulations, are these officers not entitled to either of the following :—(a) Payment for same, or (b) tea money and time off in lieu of time worked?

3. If such is the case, will the Postmaster-General explain why these officers are only paid tea money, and refused time off in lieu of the time worked?

Mr. AUSTIN CHAPMAN.—In reply to the honorable member's questions, I have to state that inquiries are being made, and answers will be furnished as soon as possible.

LITHGOW POST OFFICE.

Mr. AUSTIN CHAPMAN.—In reply to a question of the honorable member for Parramatta, in reference to the Lithgow Post-office, I have to state that the following information has been furnished by the

Acting Deputy Postmaster-General, Sydney:—

1. The population within the municipality of Lithgow in September last was 5,800.

2. The revenue for last year was as follows:—Postal, £1,868; telegraph, £471; money order commission, and postal-note poundage, £181; Savings Bank commission, £66; a total of £2,586.

3. The existing building and site were purchased in the year 1883 for £1,900. The true value cannot be given without a visit and a report by a professional officer regarding the present condition of the building, but the approximate value of the building and the site is estimated at £1,000.

I may add that steps have been taken with a view to obtain a valuation of the existing building and site.

BOUNTIES BILL.

Motion (by Sir WILLIAM LYNE) agreed

to—

That the proceedings in Committee on the Bounties Bill, which lapsed on Friday last, be resumed, and that the House do now resolve itself into a Committee of the Whole for the further consideration of the Bill.

In Committee (Consideration resumed from 24th August, *vide* page 3383):

Clause 2—

There shall be payable out of the Consolidated Revenue Fund, which is hereby appropriated accordingly, the sum of Fifty thousand pounds per annum during the period of ten years commencing on the first day of July, One thousand nine hundred and six, for the payment of bounties on the production of the goods specified in the Schedule.

Upon which Sir William Lyne had moved by way of amendment—

That the word "Fifty" be left out, with a view to insert in lieu thereof the words "five hundred," and that the words "per annum" be left out.

Mr. LONSDALE (New England) [2.40].—I understood from the Minister who was in charge of the Bill last Friday that the amendment was to be withdrawn, and that it was intended to adopt the suggestion of the honorable member for North Sydney, and provide that a maximum sum of £75,000 might be spent in any one year.

Sir WILLIAM LYNE.—I have a further amendment to propose. The amendment now before the Committee is only a part of my proposal.

Mr. LONSDALE.—I am entirely opposed to placing £500,000 at the disposal of the Minister for expenditure as he may please. I should place the least possible amount within his control, and I should like him to be watched very carefully

whilst he spent even that small sum. I am astonished at the importance which Ministers appear to attach to this measure. The Prime Minister was recently airing his eloquence in the country, and endeavouring to persuade the electors that the Bill would have the effect of making all of them rich—that it would confer wonderful advantages upon the primary producers. He represented that it was intended for the benefit of settlers in the country, and that the residents of the towns would not derive any advantage from it. He stated that the Bill would save our primary industries from ruin, but I wish to know how the country is to be prevented from plunging headlong to destruction by the production of pea-nuts. The Prime Minister, when he visits country centres, is accustomed to make the most remarkable statements. His hearers frequently become entranced by his eloquence, and are thus likely to pay some attention to his utterances. The Treasurer indulges in poetry, and the Prime Minister in music. When the latter talks to the farmers they evidently take in all that he says. I may tell them, however, that the Prime Minister is simply taking them in.

Sir WILLIAM LYNE.—He is merely following the example of the honorable member.

Mr. LONSDALE.—No. I am accustomed to say exactly what I mean. There is no poetry about my utterances. I wish that the Minister of Trade and Customs would explain how much of the £500,000 proposed to be expended by way of bounties he intends to allocate to the encouragement of the growth of rubber trees? That is one of the industries which is to save the primary producer from ruin. From the printed document which has been placed in the hands of honorable members, I learn that the rubber tree would take from nine to fifteen years to reach maturity. When a man has sat under that tree for a period of nine years watching it grow, he will be able to get from it a pound of rubber, which is worth 6s. 6d.

Mr. WATSON.—Who told the honorable member that yarn? The Queensland Government tell quite a different tale.

Mr. LONSDALE.—I am pointing out what the Minister himself has said.

Sir WILLIAM LYNE.—I did not say anything of the kind.

Mr. LONSDALE.—But the Minister has caused the statement which I have made

to be put into a printed document, which has been circulated amongst honorable members. If the honorable gentleman has issued wrong information, as he frequently does, I am not responsible for that.

Sir WILLIAM LYNE.—There is a statement to that effect in a certain document.

Mr. LONSDALE.—The Minister issued that document, and is, therefore, responsible for the statement.

Sir WILLIAM LYNE.—I am not.

Mr. LONSDALE.—That is an extraordinary position for the honorable gentleman to take up. I say that if the information be incorrect it is the fault of the Minister himself. I do not believe in the payment of bounties, and I will not be a party to voting £500,000 to encourage the cultivation of peanuts, of rubber trees, and of olives. The honorable member for Grey has pointed out that the manufacturers of olive oil are already making a large profit out of that industry. He has shown that 1 cwt. of olives will produce about 2 gallons of oil, which can be sold for 16s., whereas the cost of picking the olives amounts to only 2s. 6d. I claim that if we are going to sanction the payment of any bounty whatever, we ought to see that it is granted to those who are engaged in our agricultural industries. I hope that the Minister will indicate how it is proposed to distribute the money which is to be expended in the payment of these bounties. To my mind, the measure is the greatest farce that has ever been placed before this Parliament. The Minister knew so little about the facts of the position that he actually included in the Bill a proposal to grant a bounty to encourage the growth of chicory. That proposal is still embodied in the measure. I should like the Prime Minister to explain how he can justify his statement to the farming community that the Bill will immensely benefit them. He is accustomed to talking to country electors in musical tones and rounded periods, and as a result he frequently misleads them. I maintain that there is nothing practical in this measure, and I should like him to show in what way it will benefit our primary producers. The statements of the honorable and learned gentleman in regard to the attitude of members of the Opposition towards the primary producers are not borne out by facts. If the measure be passed, it will be no use whatever to the primary producers, but will simply levy a contribution

upon them for the purpose of assisting industries which are already in existence.

Mr. McCOLL (Echuca) [2.53].—I trust that this Bill will be discussed to-day in a business-like way. I do not know whether the Minister of Trade and Customs is thoroughly seized of all the circumstances connected with the discussion of the measure on Friday last. Honorable members will recollect that an amendment was suggested by the honorable member for North Sydney — an amendment which provided that the total expenditure upon bounties in any one year should not exceed £75,000. The suggestion was accepted by the Minister, who was in charge of the Bill at the time, and I should like to know whether the Minister of Trade and Customs is prepared to indorse the attitude adopted by his colleague upon that occasion.

Mr. JOSEPH COOK (Parramatta) [2.54].—The statement of the honorable member for Echuca is quite correct. After this clause had been discussed for some time, a suggestion was made by the honorable member for North Sydney, the adoption of which would have the effect of limiting the yearly allocation of the bounty to £75,000. The Vice-President of the Executive Council, who was in charge of the measure, stated that he was perfectly willing to accept a proposal of that character. I do not know whether the Minister of Trade and Customs is aware of the position of matters at the time when the count-out occurred. Here is the *Hansard* report upon the subject:—

Mr. EWING.—Honorable members are directing my attention to all portions of the Bill. I have no desire to discuss clause 3 at this stage. I wish to confine my remarks to the suggestion of the honorable member for North Sydney, who wishes to add a proviso to the clause under consideration which would have the effect of limiting the expenditure in any year to £75,000. The Government are perfectly willing to accept that suggestion.

Sir WILLIAM LYNE.—I have an amendment to submit.

Mr. JOSEPH COOK.—Upon Friday last I pointed out that even the adoption of the course proposed was not necessary, since we can always fall back upon the Estimates in case we require to spend anything in excess of the amount which is mentioned in the Bill. For that reason I think it would be better to allow the measure to pass in its present form. I quite agree that it is necessary to provide for some elasticity so far as the allocation

be seen that an industry may earn nothing during one year, and that the following year it may require the payment of a double amount of bounty. That condition, however, can always be met by placing the necessary sum upon the Estimates, and Parliament may always be trusted to deal fairly with any industry in accordance with the terms of the contract which will exist after the passing of this measure. Upon the other hand, I would infinitely prefer to see the amount of elasticity which is proposed in the yearly allocation of the bounty to the granting of the original sum proposed by the Minister. If the honorable gentleman is prepared to make the alteration suggested, I am quite willing to allow it to pass unchallenged.

Sir WILLIAM LYNE (Hume—Minister of Trade and Customs) [2.57].—Before the honorable member for Echuca spoke, I was seized of what had occurred in Committee upon Friday last, and I have amendments to propose, which, if adopted, will make the clause read as follows:—

There shall be payable out of the consolidated revenue fund, which is hereby appropriated accordingly, the sum of £500,000, to be distributed during a period not exceeding ten years, commencing on the 1st July, 1906, for the payment of bounties on the production of the goods specified in the schedule. Provided that not more than the sum of £75,000 shall be paid by way of bounty in any one financial year.

Mr. McCOLL.—That proposal is all right.

Mr. WILKS (Dalley) [2.59].—The proposal of the Minister, if adopted, would practically vest him with power to distribute the sum of £500,000 as he chose, so long as he did not expend more than £75,000 in any one year.

Sir WILLIAM LYNE. — It must be expended in accordance with the conditions prescribed in the schedule.

Mr. WILKS.—Exactly. This clause opens up the consideration of the whole question of bounties. Only a few months ago, when the Manufactures Encouragement Bill was under consideration, the Minister proposed that this House should authorize the expenditure of the sum of £340,000 by way of bonus upon the production of iron. That sum was to be distributed over a term of seven years. Upon that occasion I opposed the Bill, although it related to an industry infinitely more substantial than any of those which are specified in the schedule of this measure. I am now asked to assist the Minister to

ment of a bounty of £500,000 to encourage the production of such articles as cocoa, coffee, chicory, cotton, various kinds of oils, rice, and rubber. No one will contend that these industries would provide anything like the employment which the iron industry would afford. If honorable members are prepared to support the application of the bounty system to the industries named in the Bill, then the proposal to grant a bounty for the encouragement of the iron industry should have been treated with greater respect. I and others opposed the Manufactures Encouragement Bill, believing that it was not right to expend the moneys of the people in the interests of any particular firm or industry. This, however, seems to be an age of mental re-adjustment, so far as fiscal questions are concerned, and if any mental re-adjustment is to take place in reference to this proposal, I shall be prepared to do that which I find other free-traders are ready to do. Having regard to the spirit of the times, I should be prepared to favour a bounty for the encouragement of ship-building—an industry that would give employment to thousands of operatives all over Australia.

Mr. JOHNSON.—The honorable member is slipping.

Mr. WILKS.—I would rather slip in the direction of a bounty for the ship-building industry than in the direction of encouraging by that means the salt or the condensed milk industry. If this is a device on the part of the Minister of Trade and Customs to establish a protective policy, let him at once say so. We have yet to learn whether the bounties proposed under this Bill would enable the industries concerned to carry on without other assistance. It seems to me that when the bounties ceased the industries would have to be buttressed in some way or other, and that it might be urged that since we had devoted such a large sum to their encouragement, we ought to grant them protection through the Customs, rather than allow them to pass away. I see in this Bill a scheme for the protection of the industries to which it applies. Some say that the bounty system is preferable to protection by way of Customs duties, since one can tell exactly what the cost will be; others again favour the system on the ground that it does not mean that an increased cost of goods will be passed on to the consumer. I do not pro-

the question. I entered this House as a free-trader prepared to fight for free-trade principles, and I fail to see how, in the circumstances, I could vote for a bounty system of this character. If I am to accept the proposals contained in this Bill, then my opposition to the iron bounty may well be regarded as having been unjustifiable. The Minister has not explained the source from which this sum of £500,000 is to be obtained. The bounties are to extend over a period of ten years, but the Minister may exhaust, within six and a half years, the total sum that we are asked to vote. We are thus brought face to face again with the financial problem. The Treasurer, in his Budget statement, told us that certain services still remain to be taken over from the States, and that the proportion of Customs and Excise revenue which we are permitted under the Constitution to retain is almost exhausted in providing for existing Federal services. Despite that fact, we are asked to vote £500,000, which may be expended within six and a half years. The Government have not propounded a scheme for raising the necessary fund, and it seems to me that this expenditure will seriously disarrange the finances of the smaller States. According to this morning's newspapers, the Premier of Queensland stated yesterday that the Federal expenditure was putting a serious strain upon the Union. Although most of the industries dealt with by this Bill relate particularly to Queensland, we have the assurance of the Premier of that State that the losses it has sustained as the result of Federation more than counterbalance the advantages which it has derived from the sugar bounty.

Mr. WILKINSON.—He was speaking merely from the point of view of the Treasurer of Queensland.

Mr. WILKS.—He was speaking on behalf of the people of that State, and, so far as this question is concerned, I am prepared to accept the assurance of a gentleman controlling the finances of Queensland in preference to that of the honorable member. In view of the statement made by Mr. Kidston how can the representatives of Queensland claim any support for these proposals?

Mr. PAGE.—Does the honorable member think that Mr. Kidston bosses us?

Mr. WILKS.—No; but he presents to us the facts regarding the finances of Queensland.

constituents. We have to face our constituents.

Mr. WILKS.—I think that before long the honorable member will have to face something more serious. I fail to see that there is sufficient justification for the expenditure proposed under this Bill. As soon as the bounties cease, we shall be asked to assist these industries either by continuing the system or by imposing protective duties. If it be the desire of the States that these industries shall be encouraged, why do they not make special grants to their agricultural departments? In the absence of anything in that direction, we ought to establish a Federal bureau of agriculture which would superintend experiments on the lines proposed in the Bill. I notice that a bounty is to be offered for the production of rice. Surely honorable members do not wish to see in Australia marsh fields such as those in which rice is raised in China. Surely they do not wish to subsidize an industry which can give employment only to cheap labour. I shall avail myself later on of an opportunity to move the omission of some of the items in the schedule, with a view to substitute a proposal for the granting of a bounty to encourage ship-building. Such an industry would give employment to thousands of men, and we might, in that way, form the nucleus of dock yards in which the vessels of the proposed Australian navy could be constructed.

Mr. PAGE.—What about a bounty for the production of wool?

Mr. WILKS.—If we encourage one industry we might as well encourage all industries in this way. As one who voted against the Manufactures Encouragement Bill, I shall oppose this measure. Sir Joseph Abbott, when Speaker of the Legislative Assembly of New South Wales, was taunted by the press with having changed from a free-trader to a protectionist, and he replied, "Surely this is an age of mental progression." We must have mental progress in all matters. I have not failed to observe the appearance of a cloud on the political horizon, and I say candidly that if I find other free-trade members—from my leader downwards—stating, when they visit Queensland or other places, that, despite their free-trade principles, they are prepared to favour the granting of certain bounties, I shall no longer fight for my free-trade views on purely academic grounds. If honorable members who are

venient seasons, in the granting of a bounty, then I can see something in the granting of a bounty to assist the ship-building industry, and shall avail myself of the opportunities offering to secure such encouragement.

Mr. PAGE.—The honorable member knows enough to come in out of the wet.

Mr. WILKS.—I can generally tell when a shower is likely to fall. My eyesight is not so impaired that I am unable to detect a cloud on the political horizon.

Mr. JOHNSON.—“Wait till the clouds roll by.”

Mr. WILKS.—I do not wish to do so. When I find that some free-trade members are “rocky” on salt, while others are “rocky” on trawlers, or condensed milk, then I shall be “rocky” in the direction of granting encouragement to such a substantial industry as is the shipbuilding trade. That time, however, has not yet arrived. If we empower the Minister to expend £500,000 in this way, we shall have increased his power to control by regulation nearly every industry in Australia. I do not wish to speak unkindly of the Minister, but he appears to desire to have a hand in every business. What do the anti-socialists in this House think of a measure which will enable the Minister to extend the principle of State interference with private enterprise? This is the thin end of the wedge. It means the introduction of a system of State-owned industries. I am not prepared to empower any Minister to interfere in this way with every industry. I and others have been returned to resist State interference with private enterprise. The bounty system is the twin sister of protection, and when a free-trader is asked to support it, he is asked to do that which he ought not to do until the system has received the sanction of the electors. At the next general election I shall not be so foolish as to fight on purely academic grounds for a position which I know cannot be maintained in this House; and I shall ask the electors to give me an opportunity to fight for their rights just as I find honorable members—whether they be protectionists or free-traders—are prepared to fight in respect of the rights of others.

Sir WILLIAM LYNE.—That means that the honorable and learned member is coming back as a protectionist.

Mr. WILKS.—I am coming back to support the principles which the electors re-

from the political situation the mask of humbug. If I am forced to vote for a bounty system, I shall vote for its application to an industry that is likely to prove substantial and benefit thousands of workers—not only in my own electorate, but in other parts of the Commonwealth.

Sir WILLIAM LYNE.—What does the honorable member for New England think about that?

Mr. WILKS.—I do not care what he thinks, because yesterday he went back on his free-trade principles by insisting that whisky should be made from malt only, and we know that barley is grown very largely in his electorate. I intend to resist the introduction of the bounty system, but if the Committee determines that £500,000 shall be set aside for the payment of bounties, I shall move the insertion of shipbuilding in the schedule, so that that industry may be put in the same position as the other industries which appear there, and which are of a tin-pot character in comparison with it.

Mr. CAMERON (Wilmot) [3.16].—I shall test the feeling of the Committee on this question, because I altogether disapprove of the bounty system. I opposed the proposal to grant a bounty for the production of iron, and I shall oppose the present proposal to spend not more than £75,000 per annum in bolstering up or fostering industries, because to do so would be to waste money. At the present time the prices of our staple products are on the down grade. Except in Russia, where there were severe rain storms while the harvest was being gathered, there has been an extraordinarily good yield of wheat all over the world, so that the production this year is likely to exceed that of any previous year, and we know that when production is in excess prices fall. The prices of wool are also falling, the present prices, compared with those of May, showing a drop of 2½d. per lb., and, while it is estimated that our production this year will exceed that of last year by 200,000 bales, it is morally certain that we shall get less for it. That means that there will be much less money to distribute amongst the community, and consequently the public will have much less to spend. Owing to their reckless extravagance, the Government have practically reached the end of their tether, and in a very short space of time will find that their share of the Customs and Excise

expenditure. That being so, we are justified in urging economy, and, in the interests of the smaller States, which require every penny that can be returned to them, I shall resist this proposal to fritter away £500,000 in bounties.

Mr. LONSDALE (New England) [3.21].—I understand that the Minister has agreed to accept an amendment providing that not more than £75,000 shall be spent on bounties in any one year, and that the total amount to be so expended shall not exceed £500,000. There is, however, an aspect of the matter to which I should like to allude, and which escaped my recollection when I spoke last. I am informed that it takes an olive tree ten years to come to maturity. Consequently the granting of a bounty for the production of olive oil under the provisions of the Bill would not encourage persons who are not now growing olive trees to enter into the industry, because they would know that their trees would not be bearing until the end of the period for which the bounty is to be given. If any such bounty were given, the money would be paid to persons who are now growing olive trees and making a profit by expressing oil from the fruit. In my opinion, we should reserve the bounties for plantations established after the passing of the Bill.

Mr. POYNTON.—Would the honorable member do the same in regard to coffee plantations?

Mr. LONSDALE.—Yes, and in regard to cotton plantations, too. The avowed object of bounties is to encourage new industries. According to a statement appearing in the *Age* of Saturday last, Dr. Thomatis has been offered 15d. per lb. for the cotton which he has grown. That is a splendid price, and why in addition should he or any other grower receive a bounty from the Government? Let us exercise some common sense in this matter. If bounties are to be given as gifts to those engaged in profitable industries, why should they not be given to the dairymen and the potato-growers of mine and other districts? If the measure is really intended to encourage new industries, we must reserve its benefits for those who enter upon such industries after the measure comes into law. If a provision to that effect be not agreed to, it will be obvious that the Bill has been introduced merely to placate the electors, and that, instead of being en-

of bounties," it should be called "An Act to bribe electors."

Mr. FISHER.—The honorable member should withdraw the word "bribe."

Mr. LONSDALE.—Why should I do so? There is no other term to use if it is intended to pay bounties to those engaged in profitable industries now in existence in Australia. If the measure be amended to prevent the payment of bounties in connexion with existing industries, or if its operation be postponed for some years, to give time for the establishment of new industries, I shall withdraw the word, because it may then be regarded as an honest attempt to foster new industries.

Mr. FISHER.—The use of the word "bribe" is unparliamentary.

Mr. LONSDALE.—I do not wish to be offensive, and if it is disorderly I shall withdraw the word "bribe" and use some other term to express my meaning. Take the case of the bounty offered for the growth of cotton.

Mr. POYNTON.—How many cotton growers in the electorate of the Minister of Trade and Customs could be bribed by offering a bounty for the production of that article?

Mr. LONSDALE.—The Minister has supporters behind him, and he has to keep up their strength—

The CHAIRMAN.—Order! I must ask the honorable member not to proceed in that strain.

Mr. LONSDALE.—When I am asked for an explanation, I always endeavour to make my meaning plain. Any one who realizes that a number of the articles for which bounties are offered are already being produced in the Commonwealth must look for some reason other than that put forward to account for this proposal. For example, the condensed milk industry has been in existence in Victoria and New South Wales for years past, and yet it is proposed to offer a bounty for the production of condensed and powdered milk. What is the reason? The bounty cannot have the effect of bringing a new industry into existence. The olive oil industry is also in existence, and the same thing may be said of the cotton industry. I believe also that rubber plantations are to be found in Northern Queensland. I am not sure about that; but if plantations are not already in existence, the bonus can have no good effect in the direction of establishing

the rubber industry, for the reason that the bonus period will have expired before the plantations have become productive. I do not think that rubber trees can be grown at Mount Macedon. If they could, it would be easy to understand why the bounty was being offered. We are being asked to vote money, not for the purpose of promoting the establishment of new industries, but in order to confer advantages upon those who are already carrying on various undertakings with a fair measure of success. I am opposed to the Bill, and shall vote against it. I realize that it is only an election placard, and that money is being offered by way of bounties as a bribe—

The CHAIRMAN. — The honorable member must withdraw that expression.

Mr. LONSDALE.—I shall withdraw the expression, and content myself by saying that the Bill is merely an election placard, and that it has been brought forward in order to please the electors, and bring the Government into favour with certain sections of them.

Sir JOHN QUICK (Bendigo) [3.36].— Sometimes the honorable member for New England makes useful and valuable suggestions, but, unfortunately, the violence of his language sometimes prevents honorable members from giving to them that fair consideration to which they are entitled. I thoroughly approve of the principle underlying the measure, and I do not think that there is any justification for the imputations of unworthy motives which the honorable member for New England has so freely hurled at Ministers and their supporters. Whilst approving of the system of granting bounties in certain cases, I think that a measure such as this should have been preceded by careful inquiry and investigation as to the products in respect to which bounties are to be offered. Whilst it would appear from the memorandum submitted to the House that some Departmental inquiries have been made by able officers, their investigations do not appear to have not been sufficiently complete and comprehensive. I believe, further, that a Bill such as this should be associated with proper safeguards in the direction of supervision and administration. As it stands, the measure contains no provision of that kind. Two sessions ago this House unanimously passed a resolution in favour of the organization at an early date of a Depart-

ment of National Agriculture. In submitting that resolution, I mentioned specifically that such a Department would be useful in formulating schemes such as that contained in the Bill, and in conducting the necessary investigations, and supervising the granting of bounties. Yet we have placed before us a scheme involving the expenditure of £500,000 without any provision for safeguards such as might reasonably and naturally be expected. Such a Department as I have indicated might very well have been established as a condition precedent to the introduction of the present scheme, or it might have been associated with the proposal in some form or other. I sincerely hope, therefore, that before the Minister brings this important measure into operation he will carefully consider the question of organizing the nucleus, however moderate, modest, and inexpensive it may be, of a Department of National Agriculture. How could such a measure as this, which deals with a large number of industrial and technical matters, be administered by the Minister or the Comptroller-General of Customs, without the assistance and guidance of experts in the shape of agriculturists, chemists, and other scientific advisers? I presume that the large amount of money which is to be devoted to the payment of bounties is not to be scattered here, there, and everywhere without observing ordinary precautions. I am not very familiar with many of the items in the schedule, but I know a little about one of the products referred to, namely, olive oil. As a matter of fact, the production of olive oil has been most successfully carried on for many years in one of the States, and a very fine industry has been established. Whilst the Tariff Commission were sitting in Adelaide we had evidence of this fact from a witness representing Sir Samuel Davenport, who is the pioneer of olive culture in Australia, and who has placed the industry upon a sound and scientific basis. For this he deserves the greatest credit. I am not in a position to say whether he obtained a bonus, but, bonus or no bonus, he has undoubtedly been most successful.

Mr. POYNTON.—No bonus was granted in South Australia.

Sir JOHN QUICK.—I am very glad to hear it. I believe that at present there are many olive plantations at Mildura—I do not know whether there are any at Renmark—and that large quantities of olive

parts of Victoria. I am informed, however, that the production of olive oil in Victoria has hitherto not been a payable industry, and that a large number of persons who went to the trouble and expense of planting olive trees have since uprooted them.

Mr. McWILLIAMS.—Some persons were doing that at Mildura when we were up there.

Sir JOHN QUICK.—Some years ago I bought some olive truncheons from Sir Samuel Davenport, and succeeded in growing them at Bendigo. The trees fruited splendidly, and there was abundance of material from which to manufacture oil, but no market was available, and I uprooted my trees. Other persons did the same, and possibly, in common with myself, made a mistake. My point, however, is that we could naturally look to a Department presided over by experts to give reliable advice as to whether it would be justifiable to spend money in growing olives, cotton, or sunflowers, or other such products. If an Agricultural Department, or bureau, were equipped with the proper means of obtaining information, and circulating it, and advising those who were disposed to enter upon such enterprises, we could support a scheme such as that now before us with some safety and confidence. What is required is not merely money, but systematized knowledge and information, and proper means of placing it at the disposal of the men on the soil.

Mr. CAMERON.—There is an Agricultural Department in Victoria, from which farmers could obtain the necessary information.

Sir JOHN QUICK.—Yes; but that Department is not offering bounties such as those now proposed. I hold that the Government should not rest content with offering bounties for the production of the articles enumerated in the schedule, but that they should make it a condition precedent to the granting of those bounties that the industries must be initiated under circumstances which are likely to result in success. In other words, people should not be lured on to plant trees merely in the expectation that they will be able to participate in a bounty, and without any hope that they will be able to carry on operations when the bounty has been withdrawn. A Department such as I have mentioned would be able to afford

would be in a position to warn people against the insensate folly of embarking upon an industry in which they could not continue after the bounty had ceased. Some years ago the Victorian Government offered large bonuses to encourage the establishment of vineyards. Their action imparted an artificial stimulus to the vine-planting industry. The result was that a large number of people planted valueless, nondescript vines for the purpose of earning the bounty, and when it ceased to operate the vines had to be uprooted. That bounty was a delusion and a snare to many who embarked in the industry, because it was not associated with the dissemination of the necessary knowledge for their guidance. The scheme proposed in this Bill will be equally futile unless it is associated with some method for imparting proper instruction to those who are likely to be induced to commence operations under it. I beg the Minister not to bring the Bill into force until he has proper experts at his command who are capable of affording that information. He himself cannot be expected to prevent people from committing mistakes. Whatever is done must be done in accordance with a well-considered scheme. There is certainly some force in the remarks of the honorable member for New England concerning the advisability or otherwise of allowing those who have already established plantations to participate in the bonus. The point which he has raised is worth considering. Something is to be said in favour of assisting those who have already established olive plantations, as well as of affording help to new adventurers and investors. But certainly the individuals who incur the trouble and expense of planting new trees, and who have to deal with the uncertainties and difficulties incidental to a new enterprise should not be forgotten. They should be specially provided for, and it would be a mockery to them, if, in the hope that they would share in this bounty, they were induced to plant trees, which, according to the testimony of Sir Samuel Davenport, require to be seven, eight, or nine years old before they will yield a gallon of olive oil, and it was found at the end of that period that there was no bonus available for them, because it had been appropriated by those who had already established plantations. These are matters which should be thoroughly

threshed out and properly dealt with before the Bill is passed, or else some undertaking should be given that they will be dealt with in a comprehensive manner before it is brought into operation.

Mr. LIDDELL (Hunter) [3.50].—I was very pleased to hear the remarks of the honorable and learned member for Bendigo upon this Bill. He has given utterance to exactly the ideas which had occurred to me, though he has expressed them in a very much better way than I could have done. I agree with the statement that this Bill shows signs of hasty preparation, and I am perfectly satisfied that the Minister who is in charge of it possesses very little information relating to the conditions attaching to the industries the establishment of which he desires to encourage. I cannot understand why the Bill has been brought forward at the present juncture. It affords another example of the hasty legislation in which this Parliament has indulged, and which has brought the country into such bad repute outside our shores.

Mr. STORRER.—That is a matter of opinion.

Mr. LIDDELL.—It is my own opinion, and that of thousands of persons outside of this House.

Mr. KENNEDY.—That is the cry of the "stinking fish" party again.

Mr. LIDDELL.—If an honorable member sees what he conceives to be a wrong, surely it is his duty to point it out. I repeat that the Bill bears evidence of hasty preparation, and that it should not have been brought forward at this late stage of the session. I should like to ask the Minister of Trade and Customs if he is aware of the time that is required to enable the gutta percha tree to attain maturity. I venture to say that if he were to plant one to-day he would not live long enough to see it reach maturity. In this connexion I hold in my hand a very able report upon the Federated Malay States and Java, which has been prepared by Senator Staniforth Smith. Speaking of the gutta percha tree he says—

The yield per tree is not nearly so large as in the case of rubber, and it is a particularly slow-growing tree, no gutta percha being obtained until it is twenty-five years old, and sometimes fifty. For private enterprise gutta percha growing is out of the question, but a Government plantation is advisable.

Evidently the Government have in their eye some particularly objectionable form

of socialistic legislation. Later on Senator Staniforth Smith, in speaking of various fibres—and fibres are specified in the schedule of this Bill—says—

There is an immense number of fibrous plants that grow well in the tropics, many of them yielding most valuable fibres; but the amount of labour required to extract this and prepare it for the market makes the cultivation generally unprofitable.

So that honorable members are asked to grant a bounty upon the products of cheap labour; and if there is one thing more than another which we do not want, it is the introduction of labour of that description. In speaking of sisal hemp, Senator Staniforth Smith says—

Sisal hemp does not grow well near the equator, as it requires a dry climate. It grows best 20 degrees from the equator, or just inside the tropics. This is an industry that might be cultivated with success in certain parts of Australia. At Rigo, in Papua, there is a small plantation of sisal hemp. While it may be hoped that this will result in success, the probabilities are against it, as, in the opinion of the most competent experts, the climate is altogether unsuitable. Dr. Treub, Director of Agriculture in Java; Mr. Ridley, Director of the Singapore Botanical Gardens, and Mr. Carruthers, Director of Agriculture for the Malay States, were all of opinion that the climate of Papua is unfitted for its culture. This is probably another illustration of the necessity of expert knowledge in starting new industries.

I have quoted those passages with a view to showing how they bear out the contention of the honorable and learned member for Bendigo that if we are to embark upon legislation of this sort we should establish some kind of organization for the purpose of instructing growers in the methods of cultivating the products upon which we propose to pay a bounty. In the absence of such a Department we cannot hope for success. Yet without any preparation of that kind, the Government ask us to sanction the expenditure of £500,000. Other matters into which a Department of the character suggested might inquire are the conditions of the soil, climate, and rainfall. The report of Senator Staniforth Smith confirms the statements of the honorable and learned member for Bendigo, and I merely desire to emphasize them.

Mr. BROWN (Canobolas) [3.56].—In many respects the speech delivered by the honorable and learned member for Bendigo was a valuable contribution to the debate, especially with regard to the need which exists for establishing a Federal Department of Agriculture to deal with matters

of this character. I also am strongly impressed with the necessity for establishing a Department of that description, quite apart from the question of the proposed payment of bounties. I believe that such a Department need not trench upon the very useful work which is being done by the States Agricultural Departments. On the contrary, I think that its existence would simplify their work, and prevent its duplication. I agree with the honorable and learned member for Bendigo that the distribution of money by way of bounties should be undertaken only under the advice and supervision of expert authorities. We ought to be very careful not to spend any money by way of bounty in developing an industry which has no hope of success. Before any bounty is allotted to an industry, it should be demonstrated that it possesses sufficient possibilities of success to make it worth our while to try the experiment. Otherwise there is a danger that the money will be wasted, and that a number of well-intentioned people will be induced to embark their money in industries in which they would have been prevented from doing so by the exercise of a little foresight. Therefore, I hope that the question of the establishment of a Federal Department of Agriculture will receive very serious attention. I do not mean to suggest that it should be established as a prelude to the granting of bounties. I quite recognise that this Department may authorize the payment of bounties upon a number of commodities upon which the bounty could not be claimed until after the industries had been in existence for some years. But I do think that this important work should not be undertaken in the absence of supervision such as has been suggested by the honorable and learned member for Bendigo. I ask the Government to seriously consider the position which he has put before them. I do not take up the attitude of some of my free-trade friends that we should regard the policy of encouraging the establishment of industries by means of bounties as an interference with private enterprise. I cannot shut my eyes to the fact that quite a number of very desirable industries may be assisted in that way.

Mr. JOHNSON.—Is not that what is claimed for protective duties?

Mr. BROWN.—There is a very great distinction to be drawn between the two methods. The payment of bounties is

completely under the control of this Parliament and the Government, whereas it is extremely difficult to determine exactly who benefits by Customs duties. The Government can definitely state what industries are to be encouraged by bounties, and the extent of the assistance to be given. They can also take steps to insure that some benefit shall be derived from the system by those employed in the industries. No such control can be exercised under a system of Customs taxation. I am not prepared on the score of resisting State interference with private enterprise to join an effort to prevent the Government from encouraging industries by a reasonable expenditure under the bounty system. On the motion for the second reading of this Bill I pointed out that a mistake was being made in proposing a bounty of only $\frac{1}{4}$ d. per lb. on condensed milk, whilst a bounty of $\frac{3}{4}$ d. per lb. was to be given for the production of powdered milk. I think that the higher bounty should be paid on the production of condensed milk, since that industry is the more important one. I have been informed by those engaged in it that some serious difficulties yet remain to be removed, and it seems to me that if the dairying industry succeeded in placing on the market a condensed milk equal to that imported from Switzerland, substantial benefit would accrue to the Commonwealth. When the schedule is under consideration, I shall move in the direction I have indicated. I am prepared to deal with these proposals in a reasonable way. I certainly think that we ought to seriously consider the desirableness of creating a Bureau of Agriculture to which experts capable of dealing with various questions relating to primary production should be attached, and I also agree with the honorable and learned member for Bendigo that the success of these proposals will largely depend upon the way in which they are handled.

Mr. POYNTON (Grey) [4.3]. — I, like many other honorable members, feel that we have not yet reached a stage at which we should be justified in sanctioning this heavy expenditure. We have not yet received any information as to the way in which these bounties are to be distributed, or as to whether it is intended that the producer of the raw material shall receive any benefit. In the memorandum circulated by the Minister, it is stated that 500,000 lbs. of raw coffee were imported last year, whilst over 2,000,000 lbs. of

manufactured coffee were also imported. I should like to know what proportion of the bounty to be given for the production of coffee will go to the grower of the beans, and what proportion of the bounty on cotton will be received by the grower.

Sir WILLIAM LYNE.—At the proper stage I shall explain the whole matter. I have all the information that can be obtained with respect to these questions, and have also framed an amendment relating to the very point which the honorable member has raised.

Mr. POYNTON.—I think that the Bill ought to be referred to a Select Committee.

Sir WILLIAM LYNE.—Anything to block it.

Mr. POYNTON.—I make this suggestion in no hostile spirit.

Sir WILLIAM LYNE.—I fail to see how it could be regarded in any other light. It is a proposal to destroy the Bill.

Mr. POYNTON.—It would be far better to reject it than to pass it in the absence of satisfactory information. It could be revived next session. We should certainly be justified in appointing a Select Committee to deal with the Bill.

Mr. CROUCH.—Would the honorable member place any members of the Opposition on that Committee? None of them will be here next session.

Mr. POYNTON.—Every one knows that all parties in the House would be represented on any Select Committee that might be appointed. It has been said that this Bill is something in the nature of a bribe to the electors. I would point out, however, that the number of electors who would benefit by its passing is so infinitesimally small that such a suggestion is absurd. It might just as well be said that those who are opposed to taxation of any kind are holding out a bribe to the electors, since nine out of ten believe always in taxing "the other fellow." This Bill will not benefit more than 200 people.

Mr. MCWILLIAMS.—Then they will have a substantial "cut in."

Mr. POYNTON.—I do not know about that. I understand that some of the industries named in the schedule are already well established. The honorable member for New England said that I was anxious to support the Bill because it provides for a bounty on the production of olive oil, as I represent a district in which olives are produced. As a matter of fact, there is

not an olive grove in my electorate. In some parts of it a few trees may be grown, but they are certainly not cultivated for the production of olive oil. I have not heard that there is any strong demand on the part of South Australia for a bounty to promote the olive oil industry. I trust that the Minister will consider my suggestion that the Bill be referred to a Select Committee. I should like to test the question.

Sir WILLIAM LYNE.—If the honorable member's proposal be carried, the Bill will not be further proceeded with.

Mr. JOHNSON.—So much the better.

Mr. POYNTON.—Surely the Minister knows that if my proposal were carried the Bill would be referred to a Select Committee.

Sir WILLIAM LYNE.—No, it would be dropped.

Mr. POYNTON.—Why should the honorable gentleman take up that attitude?

Sir WILLIAM LYNE.—Because the proposal, if adopted, would destroy the Bill.

Mr. JOHNSON.—The Minister has no right to threaten the Committee.

Mr. POYNTON.—I am not frightened by anything he may say in that regard. I should be prepared, if I thought fit, to vote against the Bill, although I certainly am prepared, if the Minister is reasonable, to vote for it. Should I be in order. Mr. Chairman, in moving that, contingent on the passing of clause 2, the Bill be referred to a Select Committee?

The TEMPORARY CHAIRMAN (Mr. FOWLER).—There is already an amendment before the Committee.

Mr. POYNTON.—I shall not bind myself to move the amendment I have indicated, but I know that even the supporters of the bounty system will require much more information than has been afforded the Committee before they will vote for these proposals. We need from the Minister an explanation as to the method of distribution—as to who will receive the bounty, the machinery to be devised to carry out the object of the Bill, and as to who is to supervise its general working.

Mr. LEE (Cowper) [4.13].—During the last few weeks I have had the pleasure of visiting Queensland, and, whilst in Brisbane, I was very much interested in the magnificent display of cotton at the National Society's Exhibition. The display was a splendid one, and the exhibit of cotton, which was a feature of the exhibition, was examined by a great many visitors. I was

succeed in Queensland if high wages had to be paid to those employed in it, but that it would be successful if the children of the farmers were allowed to pick cotton, just as the children of our dairymen, in many cases, have to milk cows. That being so, I fail to see why the cotton industry, any more than the dairying industry, should be assisted by means of a bounty. We should not try to bolster up industries in this way. We shall be perfectly justified in opposing the Bill until the Minister has placed before the Committee more satisfactory information in support of it. Two years ago, on the motion of the honorable and learned member for Bendigo, the House unanimously affirmed the expediency of establishing a Commonwealth agricultural bureau; but nothing has been done in the matter. Now the Minister has sprung this Bounties Bill upon us, without being able to give us the information necessary for an intelligent consideration of its provisions. It is proposed to grant a bounty for the encouragement of the olive oil industry, but, to my knowledge, that industry was in a most flourishing condition ten years ago.

Sir WILLIAM LYNE.—It is not flourishing now, and at Mildura persons are digging up their olive trees.

Mr. FULLER.—Because it pays them better to grow raisins.

Mr. LEE.—Yes, and growers always try to use their soil to the best advantage. If olives pay better than raisins, growers will keep on planting olive trees. Ten years ago the warehouse which I represented in Newcastle handled hundreds of gallons of South Australian olive oil which was equal to the best Italian olive oil, and competed there in a free-trade market with all other oils. Why then should it be necessary to give a bounty for the encouragement of the olive oil industry? If the honorable member for Grev were able to move that the Bill be referred to a Select Committee, I should support the motion, because we certainly want some more information about the state and prospects of the various industries to which it is proposed to give assistance. I have no desire to kill the Bill, because it contains proposals which I am ready to support; but we are entitled to receive from the Minister more information in regard to it. I shall not oppose the granting of a bounty for the encouragement of industries which we have not here now, and for

It would, however, be absurd to pay such bounties as would encourage persons to grow coffee in Tasmania, for example.

Mr. PAGE.—Does the honorable member believe in the bounty system?

Mr. LEE.—I do not object to the granting of bounties to bring about the starting of new industries.

Mr. PAGE.—The sugar industry was not started by means of a bounty.

Mr. LEE.—The growers of sugar pay their own bounty, since it is provided out of the Excise. I have no objection to the giving of assistance for the starting of industries for the production of fibre of various kinds, and shall support similar proposals which I consider justifiable; but I am altogether opposed to going further until we have obtained, either by means of a Select Committee, or through an agricultural bureau, the information which is absolutely necessary to enable us to deal wisely with the whole question.

Mr. WILKINSON (Moreton) [4.18].— I shall support the Bill, and I hope that before it reaches its final stage its provisions will have been so safeguarded that the evils which have resulted from the granting of bounties in some of the States will not follow the bringing of its provisions into effect. I take a broader view of the measure than do those who look upon it merely as one for the encouragement of production of certain kinds. One of the big problems facing the Commonwealth is how best to people our territory, and especially those lands which are most open to attack by the populous nations of Eastern Asia. It has been objected that the Bill is directed largely to the encouragement of tropical productions, but, while I admit that that is so, I contend that it is to the advantage of the Commonwealth, because we cannot hope to be always secure from the aggression of nations which are continually seeking outlets for their surplus population, if we leave our waste lands at their mercy. It is, however, one thing to throw land open for settlement, and another to help those who try to settle upon it. Acts have been passed for settling people on the land which have resulted in settling many under it, and it is not always the pioneers, who have borne the heat and burden of the day, who have reaped the profits of their industry. One of the merits of the Bill is that it will make it more likely that the pioneers of new

industries will get the reward of their enterprise, instead of having to sell out to others for perhaps less than they had expended in bringing their land into cultivation. The honorable member for Dalley referred to the complaint of the Queensland Treasurer that, notwithstanding the advantages his State has gained from the sugar bounties, it has suffered more than any of the other States since the institution of Federation. I interjected at the time that he was speaking merely as Treasurer. There is another point of view. Although the Queensland Treasury has lost something over £2,000,000 by the establishment of Federation, the people of Queensland have largely benefited. For instance, so far as the sugar industry is concerned, not only have they benefited in the manner to which reference has already been made, but they have benefited also by having their market extended. I have already pointed out that, had Queensland remained out of the Federation, her sugar would have been treated by it exactly as the sugar of Fiji and of Java would have been treated. Had the remaining States federated, Queensland standing out, she would have been fiscally a foreign State, and her sugar and other products would have been admitted into the Federation only on the terms under which the products of other countries would have been admitted, whether dutiable or free. But, having joined the Federation, she has obtained free access to the markets of Australia, and is able to supply a population of nearly 4,250,000, instead of a population of only 500,000. The Queensland Treasurer's complaint might be answered in many other ways; but as we are not now discussing the financial position of the States, I shall not proceed further in this direction. The honorable member for Wilmot says that the prices of our primary products are on the down grade. If so, that is a reason for fostering new productions. If the markets of the world are being glutted with our exports, we should try to diversify them, and not depend wholly on one or two lines. The honorable member for Cowper says that growers will always put their labour and capital into such crops as will return the greatest profits, and no doubt that is so; but even he will admit that the olive can be grown in many places where the vine cannot be profitably cultivated.

Mr. McWILLIAMS.—Olives are already grown extensively.

Mr. Wilkinson.

Mr. WILKINSON.—I have seen olives growing, though I do not know much about the industry. I am, however, acquainted with some of the other industries mentioned in the schedule. The Minister has put before us a statement showing what a large amount of money is annually expended to purchase commodities which might very well be produced locally, if their production were encouraged by means of bounties. If that were brought about, we should reap the double advantage of keeping our money in circulation amongst our own people, and of settling our waste lands, and providing protection in time of need. I may take credit for having already moved in the direction of securing encouragement for the cotton industry. That has been designated a Queensland industry; but cotton can be produced in every State of the Commonwealth except Tasmania. I have seen samples grown in Echuca, and to-day I saw a very good sample which was grown at Coolamon, in New South Wales, while the plant is almost indigenous in the Northern Territory, and will grow in other parts of South Australia, and there is in Western Australia as large an area as in Queensland where it will grow to perfection.

Mr. JOHNSON.—Can rice be produced in Australia?

Mr. WILKINSON.—Yes; and for some time past small quantities have been grown in the neighbourhood of Cairns.

Mr. McWILLIAMS.—Then why should a bounty be given for its production?

Mr. WILKINSON.—No doubt many of the industries mentioned in the schedule will be established without the aid of a bounty, but before they can become of any importance they will, if not encouraged, fall into the hands of Japanese and Chinamen. One of the arguments in favour of the Bill is that, by encouraging tropical production, it will bring about the settlement of waste lands, which are now a source of danger to us, and, like expenditure for the encouragement of immigration, by settling people on them, will not only give us a larger population to bear the burdens of taxation and to repay our loans, but will increase the number of those who, in time of need, will be ready to defend their homes and the country.

Mr. McWILLIAMS.—But what about those persons in other States who start industries without assistance?

excluded from the benefit of the bounty. I think that if any one deserves to be rewarded, it is the man who has been struggling along and making experiments with results profitable to those who follow him. Such a man should not be excluded from the benefits conferred by a Bill of this kind. Although Dr. Thomatis, of Cairns, who has spent a great deal of money in cultivating and advertising his cotton, has placed his small plantation on a satisfactory footing, he should derive the benefit of the bounty to the same extent as the settler who for the first time embarks in the industry. I do not think that we shall ever have in Australia large cotton plantations such as used to be a special feature in the Southern States of America. I should not like to see similar conditions brought about here, because the planters would have to employ a class of labour that we have no desire to encourage.

Mr. McLEAN.—If the industry is to succeed, it will have to be carried on by farmers with small families which can perform all the work on the plantation.

Mr. WILKINSON.—That is my idea. If cotton is to be grown under the conditions that we desire, the small farmers will have to cultivate small areas, and rely upon their families for all the labour required in harvesting their crops. I hope that by multiplying the number of small farms we shall bring about an aggregate production—not only in Queensland, but in all other States, with the single exception of Tasmania—which will add very considerably to the wealth of the Commonwealth. Reverting to the statement that this measure is intended mainly to confer benefit upon Queensland, I should like to refer to the fact that flax can be produced in Tasmania to greater advantage than in any other State.

Mr. McWILLIAMS.—It is being produced there now.

Mr. STORRER.—In small quantities.

Mr. WILKINSON.—It will be found by reference to the import returns, that in 1904 the flax and hemp imported into the Commonwealth were valued at £145,000, whilst last year the imports of those commodities were valued at £128,000. Besides this, in 1904, we imported linseed oil to the value of £108,000, and in 1905, to the value of £80,235. Surely there should be sufficient inducement for the extension of flax cultivation in Tasmania.

bounty.
Mr. WILKINSON.—I dare say that in the natural order of things flax will be produced in localities which are adapted to its cultivation, but, whereas under natural conditions it may be fifty or 100 years before the industry reaches appreciable proportions, we may by stimulating it by bounties, bring about highly satisfactory results within a very short space of time.

Mr. McWILLIAMS.—Flax is being grown now.

Mr. WILKINSON.—Yes, but the progress is very slow, and by means of bounties we may within ten or twenty years bring about a development equal to that which would take place under natural conditions in fifty or 100 years. I do not pretend that the industries which it is sought to encourage will not be established without the aid of bounties, but my point is that if they are left to themselves their development is likely to be very slow. I do not think that it is any argument against the Bill to say that certain commodities which are included in the schedule are now being produced in the Commonwealth; nor is any weight to be attached to the fact that bounties have previously been offered. I agree with the honorable and learned member for Bendigo that any bounty system should be surrounded by proper safeguards, and that the bounties should be distributed under proper supervision in order that the grower, whom it is sought to benefit, shall receive the fullest possible advantage. In some cases where bounties have been granted, those who have been exploiting the industry rather than the growers of the product, have derived the advantage. In Queensland, in the sixties, the Government offered a bounty for the growth of cotton, but instead of the money passing into the hands of the growers, it was appropriated by those who bought the cotton in the rough state, and cleaned it for export. The cotton buyers were, no doubt, able, owing to the bounty, to give the growers a slightly higher price than otherwise would have been the case, but the latter received only an infinitesimal share of the bounty.

Mr. McWILLIAMS.—What happened when the bounty period expired?

Mr. WILKINSON.—The American Civil War was in progress when the cotton growing industry was started in Queensland. At that time a cotton famine had been caused owing to the ravages of the

war in the Southern States of America, and Queensland cotton brought a very high price.

Mr. JOHNSON.—Did not something similar occur in connexion with the production of worsted in Victoria? As soon as the bounty was exhausted, no more was heard of the worsted.

Mr. WILKINSON.—I know nothing whatever about that. I have made it a point to confine my remarks to matters with which I am acquainted.

Mr. McWILLIAMS.—Did the Queensland cotton growers continue their operations after the bounty period had expired?

Mr. WILKINSON.—Yes; they did in later years. As I have already explained, the conditions at the time of which I have spoken, were altogether unfavorable to the cotton growing industry. Similar conditions do not exist now. I have explained why the cotton industry failed, and why we may expect to achieve a greater degree of success under existing conditions. The total amount that is being asked for to encourage the growth of cotton is £22,500. Not more than £4,500 is to be distributed in any one year. When we consider the immense possibilities of the industry in a country like ours, I think that the amount proposed to be spent is trifling. I have here a copy of a letter from Mr. John E. Newton, the Chairman of the Council of the British Cotton Growers' Association, containing his report upon various samples submitted to him. If the honorable member for Franklin will mark what he says, he will understand why the cotton industry failed in the sixties. Mr. Newton says—

British Cotton Growing Association. Report on cotton samples from Queensland, 28th July, 1905.

Sample, unnumbered. Very white, bright and perfect preparation; short in staple and rough, but suitable for mixture with wool. Probably worth to-day 6d. per lb.

No. 5. Brown in colour, probably grown from Egyptian seed. Shorter in staple than Upper Egyptian. Very clean and free from waste. Worth about 5½d.

Sample No. 2. Good staple, full 1½ long, fairly silky, equal to good middling Texas or Orleans. Value about 6½d. This is a most useful style of cotton.

Sample No. 3. About good middling in grade. Rather coarse in fibre, and about 1 in. in length. Worth about price of fully middling Uplands. Value about 6½d. to 6½d.

Sample No. 4. Owing to mixture of seed, both long and short staple mixed in planting or picking; impossible to value it. The small black seed, which apparently is from Sea Island cotton, gives best results.

Sample No. 5. Brown in colour, probably grown from Egyptian seed. Shorter in staple than Upper Egyptian. Very clean and free from waste. Worth about 5½d.

Sample No. 1. Very imperfect in preparation, which renders it most difficult of sale, and therefore most difficult to place reliable value upon. Very irregular in length, probably grown from mixed or Peeler seed. Worth about 5d.

Value of Mid. Upland cotton to-day, 28th July, 1905, 1 in. staple, 6d. per lb.

Value of Mid. Texas or Orleans, 1½ in. staple, 6½d.

I have explained before that no care was exercised by the planters in selecting their seed. The seed was taken from the heap as it was thrown out from the gins, and beyond that which was used for sowing purposes, it was not turned to any account. Thousands of tons were swept away down the rivers by the flood waters. The variety and the length of the staple, its variability as to fineness or coarseness, and curl, and in every other respect, rendered the cotton almost unmarketable. It brought the lowest possible prices, because it was suitable for the manufacture of only the most inferior goods. If we were to send our wool home under similar conditions, we should receive very poor prices for it.

Mr. JOHNSON.—What the honorable member has quoted is an argument against the payment of bounties.

Mr. WILKINSON.—No. It is proposed to pay the bounties at the rate of 10 per cent. upon the market value. That will encourage the production of high quality cotton. As a matter of fact, an endeavour is now being made in Queensland to grow special classes of cotton in the localities best adapted to their cultivation. The experts of the Agricultural Department are advising the farmers as to the particular kind of seed which they should sow upon their plantations, and the result is that a very much better class of cotton is being sent to the old country. Some of our cotton has realized as much as 1s. 2d. to 1s. 3d. per lb. Dr. Thomatis, of Cairns, recently sent home some cotton which was so fine in staple that the brokers in England did not care to touch it. He forwarded the commodity to Italy and France, where it was eagerly bought, and now the Italian brokers are sending out for far more than he can supply. I should like to see a bounty offered for the production of cotton, because many persons are now inclined to look back and ask the same question that has been put by the honorable

industry fail in days gone by. They do not take all the surrounding circumstances into consideration, and are thus deterred from embarking upon the enterprise. Besides the drawbacks to which I have referred, the cost of transit and the insurance in the old days involved much heavier charges than at present. The cotton had to be sent home by sailing vessels, which used to occupy from 80 to 120 days on the voyage, whereas the product can now be forwarded to the home market within six or seven weeks. Then, again, the insurance rates were very much higher than at present, because of the danger of spontaneous combustion, and of the fact that more than one ship was burnt through carrying damp cotton. The facilities for land carriage have also been greatly improved. There are other pertinent reasons which might be advanced as to why the industry did not succeed there. But of course persons who are unaware of the conditions which operated in those days naturally feel reluctant to embark upon the industry. I believe, however, that under the conditions which are embodied in this Bill many would be induced to enter upon it. Everybody will admit that it is an industry which is capable of very great expansion. By virtue of our geographical position we possess advantages for the disposal of cotton which are possessed by no other countries in the world. For instance, I find that during the first half-year of 1904 the importations of cotton into Japan alone amounted to 151,693,259 lbs. Of that quantity 76,000,000 lbs. was imported from India, nearly 16,000,000 lbs. from the United States of America, 51,000,000 lbs. from China, 3,000,000 lbs. from Egypt, and about 3,500,000 lbs. from other countries. The Japanese product itself totalled only 226,000 lbs. In that one country, which is populated by a cotton-wearing race, we have a large market for the Australian commodity. We could find an additional market in India, and we have the 400,000,000 people of China, as well as those of the Malay Peninsula and the Eastern Archipelago at our door. In moving the second reading of this Bill, the Minister quoted the quantity of raw cotton imported into the Commonwealth, but neglected to state the vast sum which we send out of the country for the purpose of paying for cotton manufactured goods.

cultivation of cotton, I should like the Government to offer a small bounty to encourage the manufacture of that commodity into articles of wearing apparel. We might thus secure the establishment of the primary and secondary industry side by side. However, I have no desire to labour that aspect of the question. I have collected much information upon this subject, apart from my own personal knowledge of it—and I claim to possess some little knowledge, having been engaged in the industry during my youth.

Mr. JOSEPH COOK.—Where?

Mr. WILKINSON.—In Queensland. I have been asked by some honorable members whether, if the industry were encouraged, it would be likely to prove remunerative. In reply, I can only quote returns which have been supplied to me since the recent revival in the growth of this staple in Queensland—that is, within the past two or three years. Mr. Daniel Jones, of the Agricultural Department of that State, who was asked what it would cost to grow cotton at Charleville, which is some 500 miles west of Brisbane, estimated the total outlay required at £3 16s. 2d. per acre. This estimate included two ploughings, two harrowings, drilling, and sowing, three scuffings, thinning and hoeing, carriage to Brisbane, seed, and the cost of picking 1,000 lbs. of cotton. When he made that estimate the price of cotton was from 5½d. to 7½d. per lb., but his calculations were based upon a cost of 5½d. per lb., at which figure the commodity would yield a gross return of £7 5s. 10d. per 1,000 lbs., or a net profit of £3 9s. 8d. per acre. In my own district, not far from Inswich, some farmers have realized as much as from £11 to £13 per acre for the cultivation of cotton. Of course, it was grown in small plots, and every possible care was exercised.

Mr. MCWILLIAMS.—It ought not to require the aid of a bounty if it will yield that return.

Mr. WILKINSON.—If persons could be induced to enter upon the industry it would succeed, but the proposed bounty is to be granted for the purpose of encouraging them to embark upon it. Australia is not the only country in the world which offers bounties for the establishment of its industries. Every other nation which has developed its industries has granted bounties not only upon its primary productions,

but also upon its manufactured products. If the Minister had followed this particular staple from the field to the factory, and had offered a small bounty for its manufacture, he would not have departed from the spirit of this measure. In the case of fish, we are asked to follow them from the markets to the canning factories. In the same way, we intend to follow olives from the fields into the crushing mills and refineries. Therefore, it would not have been at all inconsistent with the objects of the Bill if the Minister had acted in the way that I suggest. I have already stated that, in my opinion, the China oil industry would not succeed in any part of Australia with the labour that we have at our command, seeing that the oil is produced in the New Hebrides, where there is an abundance of kanaka labour available, and in India, where coolies are employed in its production. It has been said that the employment of machinery would overcome the difficulty, but I would point out that a machine which would gather the nut, from which the oil is extracted, would also harvest little lumps of earth, which are instinctively rejected by the human hand. We do not wish to degrade the labour conditions of Australia to the level of those which obtain in India and the New Hebrides. In the case of castor oil, however, the position is a very different one. The castor oil plant grows as a weed in every part of Queensland, and in numerous portions of New South Wales. I have seen it flourishing even in rubbish heaps. It will grow in almost any part of the Commonwealth. It is a crop which is easily harvested, and there is not very much hard labour involved in the operation. In the past the difficulty experienced has been the lack of a crusher. But an enterprising firm in Victoria—I refer to Messrs. Kitchen and Sons—in anticipation of the expansion of the cotton industry in Queensland, have not only sent their cotton gin there, but have arranged for the installation of a plant to crush the seed into oil, and to make oil cake as well. This machine will not only make use of the by-products of the cotton plant, but of other crops. Some years ago an attempt was made by coolies in Queensland to grow the castor oil plant, and in this they were very successful. They could produce almost any quantity of seed of first-class quality, but their difficulty was to get it pressed into oil. At a later stage, another individual commenced

Mr. Wilkinson.

the production of castor oil in a very small way. The article which he produced was very superior to the castor oil of commerce, inasmuch as it was almost entirely free of the nauseous smell which is usually associated with it. It was sold by chemists as tasteless castor oil.

Mr. JOHNSON.—That should have insured its popularity.

Mr. WILKINSON.—But the demand for castor oil for medicinal purposes is very limited. To become of any great commercial value it would require to be used as a lubricating oil. There is no better lubricant obtainable—and I speak as an engine-driver. I am anxious that this Bill shall pass, and I do not think that the charge that it has been introduced for electioneering purposes has been substantiated. To my mind, it simply represents another step in the policy which the Government have professed for years past. I refer to the encouragement, not only of secondary, but of primary, industries, the settlement of the people on the land, and the encouragement of immigration. I believe that Australia has great potentialities, and that any crop grown elsewhere can be raised in some part of the Commonwealth. All that we need to do is to encourage these industries in their infancy. I believe that all those mentioned in the schedule will, if given reasonable assistance, become great national assets, and that one of them, at all events, will be more valuable even than is the wool industry of Australia.

Mr. SPENCE (Darling) [5.2].—I am surprised at the sudden change of front on the part of some honorable members. During the second-reading debate no opposition was raised to the Bill.

Mr. JOHNSON.—I opposed it.

Mr. SPENCE.—No opposition of any consequence was raised to the Bill. We now have a proposition on the part of those who pose as the friends of the primary producer that it shall be shelved. Their attitude is certainly inconsistent. It is said that a Select Committee should be appointed to inquire into these proposals. I fail to see that such a body could obtain any more information than is already in the possession of the Minister, who will, I am sure, be prepared, when the schedule is under consideration, to give full details as to the present position of the industries proposed to be encouraged. The honorable and learned member for Bendigo appeared to think that the establishment of a Federal

Bureau of Agriculture should be antecedent to the passing of this Bill. I do not believe, however, that he would desire to retard its passing. I am heartily in favour of the establishment of a Federal Bureau of Agriculture, but I do not know why we should delay the passing of this Bill until such a department has been created. Are we to say, as was urged, in effect, by the honorable member for Cowper, that those who propose to earn these bounties shall not be permitted to make a start unless a Department of Agriculture approves of the locality, or localities, in which they propose to commence operations? The suggestion made by the honorable member is only one remove from a proposal that the Commonwealth should itself undertake the production of some of these articles. We have in New South Wales a splendid Agricultural College, with 5,000 acres of land under its control, whilst there are scattered over the State fourteen experimental farms, capable of thoroughly testing the producing qualities of the soil. Victoria has also several experimental farms, and a very large Agricultural College, with 4,000 or 5,000 acres of ground surrounding it. Western Australia has, I think, six experimental farms, as well as an Agricultural College, and sixty-five agricultural halls, which are subsidized by the Government, and in which lectures are given from time to time by experts appointed to assist the farmers in acquiring a thorough knowledge of their industry. In Queensland there is an Agricultural College, and something like ten experimental farms and fourteen sub-stations, whilst South Australia has an Agricultural Bureau, with over 100 branches. All these institutions publish from time to time official reports. The New South Wales *Agricultural Gazette*—a very valuable publication—gives information relating to various primary industries, and similar publications are issued in most of the States. The States Departments of Agriculture also go so far as to select good seed and plants for the farmers. Is it the desire of honorable members that the work of these institutions shall be duplicated?

Mr. POYNTON.—There is no proposal to hand over to those Departments the supervision of the industries named in the Bill.

Sir WILLIAM LYNE.—I shall tell the Committee later on what I propose to do in that direction.

Mr. SPENCE.—I am surprised that those who appeared at the outset to favour

the Bill are now raising obstacles to its passing. I understand that the work of a Federal Bureau of Agriculture would be altogether different from that carried out by the States Departments of Agriculture. Its province would be, amongst other things, to collect from the States Departments information which it would distribute from one central office. It is certainly unnecessary that such a Department should be established before these bounties are granted. The States have made very creditable provision for the needs of the farmers. As a matter of fact, no one entering any other industry is so fully supplied with information to assist him as is the man who is about to settle on the land. Any one proposing to embark upon one of these new industries could readily obtain from the States Departments all the information necessary for his guidance. The States Departments of Agriculture can supply details as to analyses of soils, and the districts best fitted for the raising of certain products. The honorable member for New England insinuated that this Bill was only a political placard. We might with equal reason say that electioneering tactics are at the bottom of the opposition to the Bill, and that it is the desire of the Opposition to reduce the volume of good work done by the present Government. I could understand straight-out opposition to the Bill, but I cannot understand a proposal to shelve it.

Mr. LONSDALE.—Does the honorable member believe in the granting of bounties to existing industries?

Mr. SPENCE.—I do not think that any one does. No such proposal is contained in the Bill.

Mr. LONSDALE.—Some of the industries mentioned in the schedule are already established.

Mr. SPENCE.—Any one who occasionally glances at the agricultural statistics of the Commonwealth knows that some of the industries mentioned in the schedule are not yet established in Australia. I am not quite clear as to the position of the olive oil industry, but I was under the impression that it was fairly well established in South Australia a few years ago. I should not oppose the payment of a bounty to those who have done pioneering work in any industry that is not yet properly established. When the Minister was absent last week we had a constant demand for more information in regard to this Bill; but

now that the Minister is present some honorable members have changed their cry.

Mr. JOHNSON.—If the honorable member had not been absent during part of the afternoon he would have heard a demand for information from his own side of the House.

Mr. SPENCE.—Having regard to the way in which it was received when first introduced, I am surprised that so much opposition should now be shown to the Bill. If it were shown that the cotton industry was already firmly established in Australia we should have to strike out the bounty proposed to be given to encourage it, but we know that although cotton can be grown in Australia the industry is not yet established. We are told that it has already been demonstrated that all the products mentioned in the schedule can be grown in Australia. It would be foolish to offer bounties for the raising of crops if we did not know that they could be grown here. I believe that Australia can produce almost anything that is grown elsewhere. As to the administration of the Bill, we know that expert assistance is already obtainable, and that the experts in the States Departments of Agriculture could make all the tests necessary under it. Experts attached to the agricultural colleges of the States are always ready to afford information. They are enthusiasts, and would be quite willing, if allowed by the States' authorities, as I think they would be, to co-operate with the Federal Government, and thus save the money of the taxpayers. Because, we must, of course, avoid duplication. One of the objects of bounties is to prevent too big a burden from falling on any one State. There are some productions which could best be undertaken in some States, and others in other States, and the proposed distribution would, no doubt, establish industries in those places where the conditions are best suited for their establishment. I do not think that the bounties will be sufficiently large to induce persons to enter upon production merely for the sake of obtaining money from the Government. Persons seeking to take advantage of the provisions of the Bill will be wise enough to look ahead and see what the future prospects of an industry will be. By encouraging production, the Bill will lead to closer settlement than we have now, and to the more thorough use of land which is now not being employed to the best advantage.

I hope, therefore, that the opposition which has been shown to the measure will be withdrawn. I have no fault to find with honorable members for asking for information, because it is not desirable to give bounties to industries which are already prosperous concerns; but I do not think that anything of the kind is intended, and I hope that, having obtained the information they think desirable in regard to the details of the measure, honorable members will allow it to pass.

Mr. JOHNSON (Lang) [5.17].—In the first place, I should like to congratulate the Committee on having the Minister of Trade and Customs present to-day. It is a refreshing change to see him at his post when a measure of which he has charge is before us.

Sir WILLIAM LYNE.—Where is the honorable member's leader and the honorable member for Macquarie?

Mr. JOHNSON.—My leader is not in charge of the Bill. Now that the Minister is here, I hope that he will give us the information to which we are entitled in regard to its proposals. If I had had any hesitation about opposing this infamous scheme of bounties, it would have vanished after the statement of the Prime Minister at Maryborough on Saturday last. He has confirmed me in my opposition by declaring that this bounty scheme is part and parcel of the protectionist proposals of the Ministry. When, on a previous occasion, I declared it to be so, some of the Ministerial supporters attempted to persuade me that it was not; but the Prime Minister, in the speech of which I allude, said—

We have before Parliament a Bounties Bill, which sets aside £500,000 to be spent over ten years, at the rate of £50,000 a year, to encourage farmers, cultivators, producers, and fishermen. This proposal does not touch, except in a remote degree, any town industry. When we speak of encouraging rural industries we are not using a figure of speech. We are backing it up with a Bill and half-a-million of money, and that by way of a beginning. This is outside the scope of Customs duties. It supplements them, but when we do these things we are flying the flag of protection all the time.

Mr. SPENCE.—Surely the honorable member is not frightened by mere words!

Mr. JOHNSON.—I take it that the Prime Minister was not joking, and his declaration plainly shows that free-traders are right in opposing the Bill. I am still further justified in my opposition by the fact that no measure of the kind has been demanded by any section of the producers.

Bill was affirmed when the second reading was carried, and the honorable member must now confine himself to giving reasons why the sum asked for should or should not be voted, without going into the fiscal question.

Mr. JOHNSON.—The clause provides for the appropriation of money for the payment of bounties, which involves a principle with which I am not in agreement. I do not wish to discuss the relative merits of free-trade and protection; I merely wish to point out that I am justified, by the statement of the Prime Minister that the Bill is part of the protectionist policy of the Ministry, in voting against the proposed appropriation. By doing so, I shall correctly express the views of those who returned me as a free-trader, while I should be false to my principles if I did otherwise.

Mr. WILKS.—The honorable member does not require to be told by the Prime Minister that the bounties system and protection are twin sisters.

Mr. JOHNSON.—No; but the justification for my opposition is further fortified by the statement to which I have referred. Ever if I thought the granting of bounties justifiable, I should decline, on the eve of a general election, to place in the hands of the Minister a power for corruption and bribery which would enable the Government to say to the electors, "We have at our disposal the sum of £500,000, which we can disburse practically at our discretion during the next ten years." That would allow them to improperly influence the electors. If this were the beginning of the first session of a Parliament, instead of the end of the last session, the position would be altogether different; but, under the circumstances, the suspicion that the Bill has been brought forward in order to win for the Government by undue influence the favour of a certain section of voters is not without ample justification. Another reason for postponing the consideration of the measure is that its policy is one upon which the electors have a right to be afforded an opportunity to express an opinion, and an opportunity for doing so will be provided within a very short space of time. In my opinion, the money asked for would be better expended in establishing a Department of Agriculture, for the purpose of widening the sphere and scope of tech-

nanner proposed. I congratulate the honorable member for Moreton upon the very informative speech which he has made. He, however, failed to prove that there is need for granting bounties for the encouragement of the production of the articles to which he referred, because, according to his own showing, they can now be profitably produced without State aid. The honorable and learned member for Bendigo pointed out a short time ago that olives have for some time past been grown successfully in South Australia, and that the olive oil industry is a very flourishing one; while the honorable member for Grey has informed us that no bounty has been paid by the South Australian State Government to foster it. The remarks of the honorable member for Darling, although intended to bolster up the Bill, also showed that there is no need for bounties for the encouragement of this and the other industries to which he referred. Where industries are now in existence, and likely to continue without the aid of bounties, it is altogether absurd to vote bounties for their assistance. I am in favour of the proposal of the honorable member for Grey to refer the Bill to a Select Committee to inquire into the whole subject, and, if he does not press it, I shall be prepared, if I can do so under the Standing Orders, to move in that direction myself. I shall not be deterred by threats from the Minister as to the probable fate of the measure should such a step be taken. If the Government were to abandon the Bill, the result would be that the country would save a very large amount of money which would otherwise be boodled away. In view of the grave financial problems which we shall have to solve in the near future, we have no right to expend money in the manner proposed. I shall support the honorable member for Grey if he brings forward an amendment in favour of referring the Bill to a Select Committee. If he does not take action in that direction, I shall move in the matter myself.

Mr. McWILLIAMS (Franklin) [5.31].—I shall oppose the Bill, because I thoroughly agree with the honorable member for Grey and others that not the slightest effort has been made to afford the Committee the information which should be furnished before such a large sum of money as that now contemplated is voted. It may be a trifling

matter for the Minister to propose to spend £500,000, but in view of the fact that the proposed appropriation would impose further heavy burdens upon the States which are already subjected to a severe financial strain, I do not think that the proposal is warranted. The honorable member for Moreton made a most interesting speech, but unfortunately for him, almost everything he said in favour of granting a bounty for the production of cotton, amounted to a condemnation of the proposal. He showed us that forty years ago a bounty was given in Queensland, and that when the bounty ceased at the close of the American civil war, the production of cotton was practically abandoned. I do not know whether the honorable member expected that the American war would be continued, or that the bounty would be granted for an indefinite time, in order to maintain the industry. The honorable member also told us that men of enterprise like Dr. Thomatis, of Cairns, had succeeded in profitably producing cotton without the assistance of a bounty. I have read with the greatest interest the reports upon the work carried on by Dr. Thomatis, and, in my opinion, it is to men of his character, and not to bounties such as those now proposed, that we have to look for the successful establishment of new industries. The Bill has been prepared with so little care, that it actually contains a proposal for the payment of a bounty for the encouragement of the growth of chicory. Some years ago, one of the enterprising farmers of Tasmania went in largely for the production of chicory, and found that the produce from his farm was more than sufficient to meet the demand for that article in the Commonwealth. As a result, he has, for some years, been trying to get rid of the chicory plants which are now nothing more than troublesome weeds. If the Minister had made any inquiries before framing the Schedule, he would have ascertained that it was absurd to propose to grant a bonus for the production of chicory. The question with which we are mainly concerned is, whether the finances of the Commonwealth are in such a condition as to warrant the expenditure of £500,000 upon the objects defined by the Bill. If we were to fully discharge all our obligations in connexion with transferred properties and in other directions, we should absorb the whole of our surplus, and, in all probability, have to face a deficit. In all likelihood, we shall before very long have to look to new means of raising revenue,

M. McWilliams.

and yet we are being asked to practically throw away £500,000. It would be absurd for us to spend money in encouraging the development of the cotton-growing industry without paying regard to what is passing in other parts of the world. Quite recently it was announced that the principal English cotton manufacturers had formed a large fund with the object of growing the cotton necessary to meet their own requirements in India, West Africa, and Egypt, where the cheapest labour in the world is available. They propose to make themselves independent of the American cotton crop, and to place themselves beyond the influence of American manipulators of the cotton market. If the cotton-growing industry in Queensland were developed to the extent that some honorable members seem to think is probable under the stimulus of a bonus, the product would have to be sold in the markets of the world in competition with products of cheap labour in the countries I have mentioned. Therefore, we should probably find ourselves compelled to abandon the industry, or to introduce cheap labour to enable our planters to carry on.

Mr. RONALD.—Is there no possibility that labour-saving machinery will render planters independent of the cheap labour?

Mr. McWILLIAMS. — For the last thirty years very large rewards have been offered in the United States of America for the production of machines capable of superseding the cheap labour which now has to be employed in the cotton-fields. Although the planters have equipped themselves with the most up-to-date appliances, they cannot dispense with cheap labour, and the lowest wages current in America are paid to the negroes and mean whites employed upon the cotton plantations in the southern States. Honorable members have not been furnished with the information which they have a right to demand in connexion with the various products which are to be made the subject of bounties. I thoroughly agree with the view of the honorable member for Grey, that the Bill should be referred to a Select Committee, in order that the whole question may be thoroughly investigated. The honorable and learned member for Bendigo has given us some information with regard to the olive oil industry. When I recently visited Mildura, I found that the residents were cutting down their olive trees, not because they were not bearing, but for the reason that it was found to be

more profitable to grow grapes. Moreover, there is not a sufficient market for olive oil. The honorable member for Cowper, who, as a business man, has had some experience in handling olive oil, told us that the failure of the local industry was due to the want of a sufficient demand for the product. If the industry were stimulated by means of a bonus, the producers would have to seek a market overseas, and would have to compete with the products of cheap labour countries such as those of southern Europe. The Minister has thrown the Bill upon the table as he would throw a bone into a hen-yard. He is apparently content that honorable members should pick the measure to pieces, and is willing to accept any remnant that may be left. I think that it is time that we took a firm stand against an expenditure such as that proposed. If the Bill is passed in anything like its present form, a gross injustice will be done to those States which have as much as they can do at present to bear the burden of Federal expenditure. I shall support the proposal to refer the measure to a Select Committee.

Mr. KELLY (Wentworth) [5.44]. — I wish to obtain some information from the Minister. I would point out, in the first place, that if bounties are granted to the full extent of £75,000 per annum, the total sum proposed to be appropriated will be exhausted in seven years. But the number of articles which are specified in the schedule are not being produced to any appreciable extent, and a considerable period must elapse before they can be produced in any quantity. I refer to such commodities as rubber, kapok, &c.

Sir WILLIAM LYNE.—The discussion upon that point took place under a misconception. For a considerable time the bonus will be paid to develop the rubber industry by making use of the product of the rubber trees which are already planted.

Mr. KELLY.—If the Minister can show that there is a sufficient number of trees planted—

Sir WILLIAM LYNE.—There are forests of them.

Mr. JOSEPH COOK.—Where?

Sir WILLIAM LYNE. — In Northern Queensland.

Mr. KELLY.—I did not know that the rubber tree was indigenous to Northern Queensland. If the Minister can assure me that it is, he will overcome the difficulty which has presented itself to my mind. I should like to ascertain from the honorable

gentleman what period must elapse before we can obtain a crop in the case of many of the commodities which are enumerated in the schedule to the Bill.

Sir WILLIAM LYNE.—I can give the fullest information when we reach the schedule.

Mr. KELLY. — But the information should be forthcoming now. The Minister's amendment will have the effect of limiting the expenditure by way of bounties in any one year to £75,000, and if the commodities specified in the schedule cannot be produced in sufficient quantity, he may be prevented from spending that amount.

Sir WILLIAM LYNE.—That is very likely to occur.

Mr. KELLY.—I am glad that the Minister appreciates the difficulty—

Sir WILLIAM LYNE.—There is no difficulty whatever.

Mr. KELLY.—I think that there is. The Minister would then regret his anxiety to obtain as much money as he can lay hands upon. Upon the other hand, if he merely asks for what he will require, he will be in a position—should he be called upon at a later stage to request a further bounty contribution for other industries—to say, "I have not exceeded my allowance in reference to the production of tropical commodities." I hope that the Minister will give the information which I seek, otherwise I shall be reluctantly compelled—

Sir WILLIAM LYNE.—Do not threaten.

Mr. KELLY.—I have no desire to do so. I hope that the Minister will impart the information for which I have asked. I wish him to tell me the quantity of the commodities enumerated in the schedule which is at present being produced, and the time which must elapse before new plants will yield a crop.

Sir WILLIAM LYNE.—It is impossible for me to give that information. I would willingly give it if I were able to do so.

Mr. KELLY.—The Minister should be in a position to give us reasonable information. If he cannot do so, it is about time that we referred this Bill to a Select Committee.

Sir WILLIAM LYNE.—A Select Committee could not furnish the information which the honorable member desires.

Mr. KELLY.—A Select Committee would be able to ascertain the quantity of these commodities, which is at present being produced and how long a period must elapse before new plants would begin to yield crops.

Mr. DEAKIN.—That information is embodied in the printed paper which is before the honorable member.

Mr. KELLY.—It is not. If the Government cannot supply me with the data for which I ask, it is about time that a Select Committee was appointed to obtain the information.

Sir WILLIAM LYNE.—Do not keep threatening. Let the honorable member move to refer the Bill to a Select Committee.

Mr. KELLY.—I have no desire to augment the number of Select Committees which have been appointed from time to time, but the Government cannot give me the information which I seek, and I think that they ought to appoint a Select Committee to obtain it.

Mr. JOSEPH COOK (Parramatta) [5.50].—The Minister of Trade and Customs has acted most unreasonably in this matter. A case has been made out for the presentation of certain information, and the Minister confesses that he is unable to afford it.

Sir WILLIAM LYNE.—I do nothing of the kind.

Mr. JOSEPH COOK.—I am speaking of the matters to which reference has just been made. The honorable gentleman has stated that he cannot supply the information sought by the honorable member for Wentworth.

Sir WILLIAM LYNE.—And no one else can.

Mr. JOSEPH COOK.—Does the Minister mean to tell me that no one can tell what is the ordinary life of the rubber tree?

Sir WILLIAM LYNE.—That information has already been given in *Hansard*.

Mr. JOSEPH COOK.—Then what information was sought?

Sir WILLIAM LYNE.—The honorable member for Wentworth wanted me to say the amount which I should annually require to disburse by way of bounty upon each product specified in the schedule to the Bill.

Mr. JOSEPH COOK.—I am afraid that, even at the risk of incurring the Minister's anger, I must make a few observations.

Sir WILLIAM LYNE.—Do anything to delay the passing of the Bill.

Mr. JOSEPH COOK.—The Prime Minister made some most unwarrantable charges last week when he declared to a

press representative that Opposition members had been wasting time the whole of Friday morning.

Mr. DEAKIN.—So they had.

Mr. JOSEPH COOK.—I am surprised that the Prime Minister should talk so recklessly, and make statements which are so absolutely devoid of foundation. He is becoming even more reckless in his statements than is the Minister who is in charge of this Bill, and I think that it is about time he took himself in hand. He is evidently losing his senses, or he would not make wild charges against honorable members who are seeking to establish some reasonable basis for the disposition of the money proposed to be granted under this Bill, and for its allocation when it shall become due. I find that the Minister of Trade and Customs knows absolutely nothing about this matter. This bounty system is to be administered by a Minister who tells us that he knows nothing whatever about tropical industries. Yet he should have concentrated in his Department the whole of the technical knowledge required for a proper and wise distribution of this money. So far from the free-traders upon this side of the Chamber having originated this demand for knowledge, I would remind the Prime Minister that it emanated from two protectionists who, from long experience of the bounty system, foresaw that the money might as well be thrown into the sea unless its expenditure were wisely supervised.

Mr. WILKS.—The honorable and learned member for Bendigo said the same thing.

Mr. JOSEPH COOK.—I am speaking more particularly of the honorable member for Echuca and the honorable member for Gippsland. They know a great deal more about this subject than does the Minister of Trade and Customs, or the Prime Minister, and they have preferred a request for information concerning some plan which ought to be formulated before this money is expended. Let us put the matter upon a purely business basis. If a proposal were made to annually spend £75,000 of private funds in any trade or business operation, what would be the first step taken? Would not a committee of management be appointed to deal with the allocation of the money, and to ascertain all particulars connected with the industry in which it was to be embarked? Would not a complete scheme be drawn up showing how the money was to be expended, and

In other words, in any private business undertaking the expenditure of £75,000 annually would necessitate the expenditure of £3,000 or £4,000 in the same period for expert advice and supervision. But when we come to deal with public money it seems that its expenditure is to be controlled only by a Department which is confessedly in total ignorance. I am now making no accusation against the officers of the Customs Department. They cannot be expected to possess the necessary expert knowledge upon all these matters, and, therefore, I say that, prior to the voting of this money, we should inaugurate a branch of tropical industry, no matter how modest its dimensions may be. There should be some system of supervision organized before the money is even allocated, much less expended. As I pointed out on Friday last, the industries, the establishment of which it is proposed to encourage, will have to come into competition with similar industries outside of Australia. In Java, for instance—as Senator Staniforth Smith has pointed out—there exists a most highly organised bureau of tropical industries, and the best experts in the world are engaged in teaching the people how to grow and develop the products of those industries. Our own people must come into competition with these coloured people who have not attained the degree of civilization and comfort which we have set up in Australia. We are asked to embark upon an industry without the special knowledge which they possess, and which is provided for them by a Government whose very existence depends upon the encouragement of these tropical enterprises. That being the case, ought we not to do something to insure the success of this experiment? What have we to show for the money which has been expended in the form of bonuses throughout Australia up to the present time? What has Victoria to show for the expenditure which she has incurred in that direction? There is not a Victorian representative in this Parliament who will not acknowledge that, outside of the butter bonus, that expenditure has been absolutely fruitless. If we turn to Queensland, what do we find? The cotton industry has gone down. For the past forty years—off and on—bonuses have been granted with a view to encourage its establishment, but these have failed in their object because they

that the Minister proposes the money made available under this Bill shall be allocated. In other words, they have been doled out with a political object, and not for the purpose of benefiting business enterprises which have been *bond fide* entered upon by those engaged in them. That is the outstanding feature in the history of bonuses all over Australia. Under this Bill, we are apparently going to repeat the same process, only upon a much more extensive scale. We are told that the Minister and his officers will exercise supervision over the amount of bounty to be distributed from time to time. If we are going to sanction the payment of money for this purpose by all means let us start under the most favorable conditions. Let us see, for example, that the kind of cotton grown is the best, and that it is cultivated in the places most suited to its production. And so with the proposals in regard to the production of coffee and milk. Let us see that the environment of those industries is such as will commend itself to those who have had long experience and possess the most expert knowledge concerning them. That experience and knowledge is available to us; but apparently we are going to make no effort to avail ourselves of it. Of the sum proposed to be appropriated under this Bill, £3,000 or £4,000 per annum ought to be expended in obtaining the most expert knowledge that can be secured with regard to these industrial enterprises. The speech made the other day by the honorable member for Echuca appeals strongly to me. The honorable member pointed out that in America—that go-ahead, successful country—a man who has the slightest difficulty in any of these enterprises receives the assistance of an expert who teaches him how to overcome it. The expert teaches him what is the best kind of seed to sow, and how to tend it, and bring it to maturity in the most successful way. Here, nothing of the sort seems to have been thought of. All that we know is that we are on the eve of a general election, and that the Government find it convenient to throw out half-a-million of money to the far-back farmers of Australia. So far from helping the farmers of the Commonwealth, if we induce them to enter upon these enterprises, and they fail when the bounties terminate, we shall strike a blow at the best interests of the country, and do no good to the

people we have allured into these industries. Are we going to see that some success shall result from these efforts? I presume that in granting bonuses the intention is that they shall not be a constantly aggregating quantity, extending in perpetuity, but that at some time or other those to whom they are given must be left to make their way in competition with the industrial enterprises of the world. If these industries are to be kept alive by the bounty system, and if, owing to defective cultivation or want of the latest and best knowledge concerning them, they are to collapse the moment the bounties cease—and that is the history of the bonus system in Australia—we shall do a great wrong to the people who will be induced to enter them, and shall do no good to the Commonwealth. All that I ask is that business methods shall be applied to the allocation of these moneys, and the inspection of the industries to which they are devoted. If we are going to pay away this large sum every year, let us see that it is expended under the direction of the best available expert talent. If we expend a proportion of it in acquiring that expert assistance, we shall make a wise beginning, and insure a wise termination to the whole series of experiments about to be made. This is the plea I put to the Minister. I ask him to tell the Committee whether he or his officers have in mind a plan with this end in view. We might as well throw this large sum into the depths of the sea as distribute it without any guarantee that the best expert knowledge will be available to see that it is well expended.

Mr. KENNEDY (Moira) [6.5].—We have heard a good deal as to the undesirableness of the Government proceeding with this Bill. We are told by one honorable member that we shall seriously affect the financial position of the States if we expend anything like this sum of £500,000 within the next ten years, and that the proper course is to establish a Federal Bureau of Agriculture.

Mr. JOSEPH COOK.—I did not make that statement.

Mr. KENNEDY.—The honorable member for Dalley did.

Mr. WILKS.—And the honorable member for Bendigo supported it.

Mr. KENNEDY.—I am dealing with the statement made by the honorable member as to the effect which this expenditure will probably have on the States.

Mr. WILKS.—A Federal Department of Agriculture is provided for under the Constitution.

Mr. KENNEDY.—I have yet to learn that the payment of bounties for the establishment of industries is not within the province of the Commonwealth. Some of the States had such a system in operation when the Constitution was passed; but the power is now vested in the Commonwealth. I venture to say that the cost of conducting a bureau of agriculture on Federal lines would far exceed the sum proposed to be expended under this Bill. Some honorable members appear to think that this money is to be thrown away in a haphazard fashion. We have been told that it is necessary to educate the farmers before we induce them to embark upon these new enterprises. Having regard to their peculiar conditions, and the state of their finances, the States have done much in the direction of agricultural education. Victoria alone is spending something like £100,000 per annum on this work.

Sir WILLIAM LYNNE.—And I think that New South Wales is spending even more than that.

Mr. KENNEDY.—That is so, and the expenditure is justifiable. I would remind the representatives of New South Wales who oppose the bounty system that that State is already granting to those engaged in primary industries bounties in the shape of a large annual expenditure on agricultural education, and also in the form of special rates for the carriage of their produce—rates below the actual cost.

Mr. WILKS.—Then the honorable member would describe a prospecting vote as a bounty to encourage mining?

Mr. KENNEDY.—The honorable member may call it what he pleases, but such a vote is certainly of assistance to the mining industry. The steps taken by the States to so educate the miners as to make them better fitted to prosecute their work, is also of assistance to them. We know as a matter of fact that the Reid-McLean Government sent representatives to the Hobart Conference of Premiers with a proposal, so to speak, “up their sleeves”—it was a plank in their platform—that a Federal Department of Agriculture should be established. As the result of that Conference, however, the proposal was dropped.

Sir JOHN QUICK.—That was owing to State jealousy of the exercise of Federal functions.

Mr. KENNEDY.—I have yet to learn that human nature has altered in any way. Under this Bill the Government practically propose to avail themselves of the public offers then made by the Premiers of the States. They stated that they were prepared to work in harmony with the Federal Government, and to assist them in every way in the work of establishing primary or other industries. In asking the Committee to agree to this large expenditure, the Government doubtless contemplate working in harmony with the States Departments of Agriculture.

Sir WILLIAM LYNE.—When I have an opportunity to speak, I shall show that that is exactly what I am proposing to do.

Mr. LONSDALE.—The Government do not know what they are going to do.

Mr. KENNEDY.—I am not in their counsels, but I believe that, like the Opposition, they are endowed with common sense. Some of the reasons advanced by the Opposition for objecting to the Bill are very "groggy." There is a great falling away from grace. The honorable member for Dalley, for instance, desires to get under the protectionist umbrella.

The CHAIRMAN.—Order! That question is not before the Chair.

Mr. KENNEDY.—I am simply pointing out, sir, that the honorable member for Dalley said this afternoon that he would ask his constituents to give him an absolutely free hand to support the granting of bounties for the encouragement of industries.

Mr. WILKS.—To obtain a bit of loot for my constituents before other people take the whole of it.

Mr. LONSDALE.—To dip their hands into the pockets of the Treasury. When honorable members opposite are after loot, why should we not be after it?

Mr. KENNEDY.—I deprecate the statement constantly made in this House that honorable members who support a proposal which they sincerely believe will be advantageous to the people, desire to dip their hands into the Commonwealth Treasury. Such a statement is deplorable. Those who make assertions of that kind seem to be under the impression that those who differ from them are either scoundrels or hypocrites. They are not prepared to make a direct charge, but they insinuate—

Mr. LONSDALE. — I have made such a charge straight out.

Mr. KENNEDY.—Why should they insinuate that honorable members, when sup-

porting principles in which they believe, are doing something of a hypocritical character.

Mr. LONSDALE. — Does the honorable member believe in granting bounties to existing industries?

Mr. KENNEDY.—I have yet to learn that under these proposals—which the Committee will have an opportunity to re-shape—industries already established are to be assisted.

Mr. LONSDALE.—What about the olive oil and coffee industries?

Mr. KENNEDY.—Those are mere matters of detail. The honorable member for Wilmot said that in his judgment a number of our industries had reached the highest level that they were likely to attain, and that the probability was that as the result of a fall in prices, they would, to some extent, die away. He gave two illustrations in support of his statement. But, in my judgment, if there were one reason more than another for which we should seek to establish new industries, it would be provided by the existence of the facts he mentioned, assuming them to be true. The Commonwealth has not yet made provision for the establishment of an educational agricultural Department, and it is not within the bounds of probability that such a Department will be established in the near future. No one appreciates more than I do the advantages which are to be derived from giving to those engaged in primary production the latest scientific information, but, at the present time, the Agricultural Departments of the States are doing all that can be done in that direction, and I think that the Commonwealth, instead of duplicating their work, should take advantage of it, if necessary assisting it by annual grants. I have not yet heard a statement of the intentions of the Minister in regard to the method of distribution which will be adopted under the Bill; but I incline to the opinion that most satisfaction would be obtained by taking advantage of the existence of Departments in the States.

Sir WILLIAM LYNE.—If honorable members will give me an opportunity I shall make a statement.

Mr. KENNEDY.—It has been objected that bounties are proposed for industries already in existence, but, in my opinion, members, having determined to vote for or against the bounty system, should deal with questions like that as they arise in connexion

with the consideration of the schedule. I shall support the policy of the Bill, and leave myself free to deal with the various proposals of the schedule as I think best.

Mr. McCOLL (Echuca) [6.18].—I was surprised to hear the Minister say that if honorable members will give him an opportunity he will explain his position. If he has an explanation ready, I wonder that he has allowed the afternoon to be wasted. After the discussion which took place on Friday, I expected him to give honorable members information directly the Bill got into Committee in regard to the various questions which were then raised. I have no sympathy with the direct opposition to the measure, which I shall support, and try to make as perfect as possible, although it is not quite as I should like to have it. The Minister asks us to place at his absolute disposal, without any check at all, the sum of £500,000. That is virtually the meaning of the clause, read in conjunction with clause 7. But, as trustees for the public, we have a right to see that expenditure is properly safeguarded, and we should not be fulfilling our obligations to those whom we represent if we did not ask how it is proposed to distribute the bounties. The honorable members for Darling and Moira say that it is reasonable to assume that such and such things will be done, to which the Minister assented, but why does he not tell us what is to be done. I should like to ask him a few questions in regard to this matter. In the first place, what is to be his system of administration? Has he any scheme in his mind? Who is to supervise the proposed expenditure? Is it to be done by the Customs officials or by the officials of the States Departments? If it is to be done by the latter, I should like to know whether they have been consulted as to the lines to be followed? And I desire information as to the probable division of duties between Commonwealth and States officials? To-day the Minister resented very strongly an allusion to a promise made by him to consult the Victorian Minister of Agriculture on a certain matter, saying that he would not consult any State Minister.

Sir WILLIAM LYNE.—I did consult him.

Mr. McCOLL.—I know that the Minister showed resentment when the matter was mentioned. Have the authorities of the States been consulted in regard to these proposals, and, if so, have they promised to work in harmony with the Commonwealth Government? Furthermore, we

should know what are the conditions under which the bounties will be paid. It is all very well to say that these are things to be arranged hereafter; but we should have some information before voting the money. Judging from their attitude towards the measure, the Government do not care whether it passes or not. On Friday last the Minister of Trade and Customs left it in charge of a colleague who, although ready to meet the Committee, knew little about the details concerned, and had not the necessary authority to commit the Government in any direction. I was a member of the Victorian Legislature when £250,000 was voted for the encouragement of agriculture in various ways, and as the greater part of that sum was absolutely wasted, only the bounties for the encouragement of dairying being a success, the experience makes me cautious on this occasion. I deprecate the action of the Prime Minister, the Attorney-General, and others in referring to those who have asked for information in regard to the Bill as being actuated by the desire to waste time and to postpone the passing of the measure. If the Government had given honorable members a fair statement of their intentions in regard to the measure it would have been passed without trouble. Nine out of every ten honorable members are in favour of the Bill, and yet we have been discussing it for several days, because of the crude, unprepared manner in which its proposals have been submitted to us.

Question—That the word "Fifty," proposed to be left out, stand part of the clause—put. The Committee divided.

Ayes	4
Noes	23

Majority	19
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AYES.

Cameron, D. N.
Lee, H. W.

Tellers:
Kelly, W. H.
McWilliams, W. J.

NOES.

Bamford, F. W.
Batchelor, E. L.
Bonython, Sir J. L.
Chanter, J. M.
Chapman, A.
Cook, Joseph
Culpin, M.
Deakin, A.
Ewing, T. T.
Forrest, Sir J.
Groom, L. E.
Hutchison, J.
Kennedy, T.

Lyne, Sir W. J.
Mauger, S.
McColl, J. H.
Poynton, A.
Skene, T.
Spence, W. G.
Storrer, D.
Watson, J. C.

Tellers:
Cook, Hume
Wilkinson, J.

PAIRS.

Johnson, W. E.	Ronald, J. B.
Willis, H.	Harper, R.
Liddell, F.	Knox, W.
Wilks, W. H.	Tu'lor, F. G.
Lonsdale, E.	Maloney, W. R. N.
Robinson, A.	Crouch, R. A.
McWilliams, W. J.	Isaacs, I. A.

Question so resolved in the negative.

Sitting suspended from 6.32 to 7.30 p.m.

Amendments agreed to.

Amendments (by Sir WILLIAM LYNE) agreed to—

That the words "in Australia" be inserted after the word "production," line 7, and that the following proviso be added :—"Provided that not more than the sum of £75,000 shall be paid by way of bounty in any one financial year."

Mr. POYNTON (Grey) [7.33].—I should like to know whether the Minister intends to explain how the bounties are to be paid. I think that he might as well give us the information at this stage as at a later period of the discussion. Honorable members should be informed as to the conditions under which the bonuses will be paid, what precautions will be taken against fraud, and so on. I remember that in South Australia a large sum was paid by way of butter bonus in respect of butter made from cream brought over from Victoria. Something of the same kind will happen under the Bill unless reasonable precautions are taken. We may, for instance, have coffee beans or other materials imported and ground up with some colonial product in order to enable the manufacturers to claim a larger share of the bonus. Some idea should be given of the share of the bonus which will fall to the producers and manufacturers respectively.

Sir WILLIAM LYNE (Hume—Minister of Trade and Customs) [7.36].—I do not know whether it would be possible to make any explanation that would satisfy some honorable members opposite.

Mr. WILKS.—But an honorable member sitting behind the Government is now asking for information.

Sir WILLIAM LYNE.—Yes; but several honorable members of the Opposition have submitted questions that it would be impossible for any Minister to answer. The honorable member for Echuca wanted to know if I had approached the States Governments with a view to ascertain whether they would assist in carrying out the work that would have to be per-

formed under this measure. He also asked whether I had arranged for the administration of the Act by officers of the Customs Department or by persons outside, and so on. I do not, in the ordinary way, appeal to the States for assistance or co-operation until I am prepared to take some action; and it will be time enough to take the step suggested, if I think it desirable to do so, when the Bill has been passed.

Mr. McCOLL.—The Minister wishes the money to be voted before he has ascertained whether or not the States will give him the necessary assistance.

Sir WILLIAM LYNE.—If the States do not co-operate with us, we shall manage to administer the Act without their assistance. We shall employ properly qualified persons to perform all the work that is required. My desire all along has been to work harmoniously with the States, and I shall enlist their assistance as far as possible. Some honorable members appear to think that we should establish a Federal Department of Agriculture before making any provision for the payment of bounties. I thoroughly agree with the honorable member for Moira that we should incur great expense if we created a Federal Department of Agriculture specially for the purpose of enabling us to carry out the provisions of the Bill. Moreover, I think that it would be unpardonable for us to duplicate the good work now being performed by the States Departments of Agriculture, under which model farms and instruction dépôts are being conducted. In time perhaps the States may agree to allow their Departments of Agriculture to be superseded by a Federal Agricultural Bureau, which could make available to the producers of the Commonwealth the information gained at the various experimental stations and model farms. I shall give honorable members as much information as I possibly can with regard to the manner in which it is proposed to administer the Bill. We shall frame regulations prescribing the area which must be cropped in any one year, and the minimum quantity that shall be produced from such area. We shall also specify the proportion of the bonus to be paid to the producer of the raw material and the manufacturer of the merchantable article respectively. In some cases, the bonus may be paid wholly to the producer, whereas in other cases, in which the product will be of no value until it is converted into a marketable article, it may

be necessary to distribute the bonus between the producer and the manufacturer. I am only putting this forward as a possibility. In some instances, the producer may convert his raw product into a marketable article, and thus become entitled to the whole of the bonus payable in respect of his production. We shall prescribe the quantity of the merchantable article to be produced from a given quantity of raw material. We shall require due notice to be given of the intention of any person to claim the bounty, and stipulate that the notice shall give full particulars as to the area, locality, site of the factory, works, &c. Inspection will be provided for from time to time, and provision will be made for carrying out certain conditions in regard to factories and other works. In cases where certain manufacturing operations may be necessary in order to produce a marketable commodity, we shall probably prescribe that the grower shall receive his proportion of the bounty upon the delivery of the raw product at the factory.

Mr. McCOLL.—That is not provided for in the Bill.

Sir WILLIAM LYNE.—No; that is to be dealt with by regulation.

Mr. McCOLL.—Provision should be made in the Bill.

Sir WILLIAM LYNE.—It is impossible to provide for all such matters of detail in a Bill. Regulations will be made relating to the inspection of factories or works for the treatment of products upon which bounties are payable. With regard to the administration, every effort will be made to avoid increased expenditure. If we had to create a new Department, and to appoint additional officers, we should have to incur considerable expenditure. But, as far as possible, the services of the Customs officers, cane inspectors, revenue inspectors, and officers employed in connexion with the supervision of vigneron and distillation will be availed of. The States Governments will be asked to render assistance in much the same way as in connexion with the Commerce Act. It is anticipated that this assistance will be cheerfully given, and that the services of officers connected with the Agricultural Departments, and of factory inspectors, will be placed at our disposal. In connexion with the Commerce Act, I have asked the States to allow their officers, who may technically become Federal officers, to see that the regulations are carried out.

I have received a reply from the New South Wales Government, but I have not received any answer from the other States Governments, although I am aware that a reply from the Tasmanian authorities is in transit, because I received a telegram to that effect this afternoon.

Mr. WILKS.—How long is it since the Minister communicated with the States Governments?

Sir WILLIAM LYNE.—It is some three or four weeks. The New South Wales Government are willing to undertake the whole of the management if we so desire it. However, I do not intend to entirely abandon control of the matter, but I do propose to meet the wishes of the New South Wales Government as far as it is possible to do so. In the same way, I desire to meet the other States Governments if they are prepared to agree with the proposals which I have submitted. The only question reserved for consideration has reference to the proportion of the salaries of State officers who are performing Commonwealth work which the Federal Government should pay.

Mr. CAMERON.—Does the Minister propose to divide a certain proportion of the bounties payable under the Bill amongst the different States?

Sir WILLIAM LYNE.—I do not propose that all the bounties shall be disbursed in one State.

Mr. CAMERON.—Take the case of preserved milk as an illustration. That article is produced in the various States. Would the Minister divide the amount of the bounty payable upon it upon a *per capita* basis?

Sir WILLIAM LYNE.—If the production of an article is suitable to several States, and persons enter upon the enterprise, a regulation will be framed to prevent the whole of the bounty payable in respect of that article from being distributed amongst the producers of one State. I wish to effect as reasonable a distribution as possible amongst the various States.

Mr. CAMERON.—Should not the bounties be divided between commodities produced in tropical regions and those which can be produced only in temperate zones?

Sir WILLIAM LYNE.—That will be done.

Mr. CAMERON.—In Tasmania, the bounty will be practically limited to preserved milk.

Mr. EWING.—Some of the fibres specified in the schedule can be grown in Tasmania.

Sir WILLIAM LYNE.—Exactly. The factory inspectors, who are in touch with the producing community in the States, will be in a position to render efficient service. Where necessary, we shall ask permission to utilize the services of the police to collect information. It is anticipated that by this means full compliance with the regulations and conditions will be secured. Every care will be taken to insure that the articles to be produced are such as will command a good selling price in the open market, and that no means shall be adopted to produce any article merely for the purpose of securing the bounty, and subsequently of abandoning the industry. I do not know that there is any other point to which honorable members may desire me to refer. The departmental officers and I myself have had considerable experience in the framing of regulations under the Commerce Act and the Trades Mark Act—experience which will be of value in drafting suitable regulations under this Bill.

Mr. KELLY.—How long will it take to produce a crop of cotton?

Sir WILLIAM LYNE.—I should much prefer to give that information when we are considering the separate items enumerated in the schedule. By following that course, I can best conserve the time of the Committee.

Mr. KELLY.—But if we eliminate several items, we shall then be devoting the full amount of the bounty to encourage the production of the remaining articles.

Sir WILLIAM LYNE.—The Bill can always be recommitted. I tell honorable members that if many items were excised from the schedule, I should be quite prepared to insert in the clause an amount proportionate to the remaining items instead of the full £500,000. At the same time, it would be much more convenient to deal with the separate items, when the schedule is under consideration.

Sir JOHN QUICK.—Does the Minister propose to make any distinction between the products of existing plantations and those of new plantations?

Sir WILLIAM LYNE.—That is a question which requires serious consideration. For instance, a good deal has been said in reference to the payment of a bounty upon the production of olive oil. I know

that in some places that industry cannot be made to pay. To my mind, that is a good reason why we should do something to assist those engaged in it to make it remunerative, so that they will not destroy the plantations which are already in existence. In the case of olives, if new plantations were laid out some time must necessarily elapse before the trees would come into full bearing. I am inclined to think that we should be acting wisely if we offered a larger inducement to those persons who lay out new plantations than we offer to those who have already established plantations. I speak more particularly of the case of Mildura.

Mr. JOSEPH COOK.—The Minister will need to be very careful how he differentiates.

Sir WILLIAM LYNE.—I quite admit that. When I was at Mildura recently, the olive growers were threatening to uproot the whole of their olive trees. A company which bought the olives for the purpose of producing oil had commenced operations, but it declared that the industry did not pay. I should like to prevent that sort of thing. No doubt there was some justification for its complaint in that there were fruits such as raisins, currants, &c., the production of which paid very well, and, perhaps, that was one reason why the company did not invest as much in the olive oil industry as it otherwise would have done. It is proposed to appropriate £11,000 annually for the payment of bounties to the fishing industry. In addition, a sum of £8,000 has been placed upon the Estimates for the purchase and equipment of a trawler to exploit the fishing grounds along the coast of Australia. The object is to prove that a profitable industry can be developed. The question will then arise as to whether there should be a bounty paid upon the production of tinned fish, or whether the Government—for a time at any rate—should not embark upon that enterprise with a view to developing the fishing industry of Australia. I do not know whether honorable members are aware of the fact that at certain seasons of the year the pilchard, which is really a herring, passes along the eastern coast of Australia in shoals which are just as numerous as those to be found in the North of the British Islands.

Mr. WILKS.—When the rivers are flowing, they keep three or four miles off our coast.

Sir WILLIAM LYNE.—But, as a rule, they enter our bays and harbors. They come in myriads, and if the attention of our people can be directed to it, I am satisfied that as profitable an industry can be established in this connexion as exists in any part of the world. The intention of the Government in providing and equipping a trawler, and proposing to assist the preserved fish industry, is to develop the fishing industry of Australia, and to let people know whether they can trawl with some prospect of success.

Mr. GLYNN.—They do not trawl for herrings.

Sir WILLIAM LYNE.—But they catch them with trawling seines. The Treasurer has suggested that it might be possible to charter—and, if necessary, to alter—sufficient ships to undertake this work, and thus to avoid the expense involved in the purchase of a trawler.

Mr. KELLY.—But trawling requires a specially constructed vessel.

Sir WILLIAM LYNE.—We have already received a communication from a man in New Zealand who possesses several trawlers—

Mr. JOSEPH COOK.—Why import a trawler?

Sir WILLIAM LYNE.—We shall not be importing one if we obtain it in Australasia. Another matter which has been debated at some length has reference to the cultivation of the rubber tree, and to the years that must elapse before newly-planted trees can attain maturity. But I would point out to honorable members that for some time the bounty proposed in this Bill is likely to be devoted to inducing persons to utilize the existing rubber trees. Those who have not visited the North of Queensland can scarcely realize that forests of rubber trees exist there. I have seen them.

Mr. KELLY.—Is there not a danger of those forests being destroyed by being too frequently tapped?

Sir WILLIAM LYNE.—If that be the case the matter would have to be regulated. I cannot say that I understand the method of tapping, or that I know how much rubber should be taken away.

Mr. KELLY.—The Commonwealth has no control over the forests of the States.

Sir WILLIAM LYNE.—But we might obtain control from the States. We could refuse to pay the bounty if any great destruction of the trees was going on.

Mr. KELLY.—The Minister will see that there is the chance of the Bill being destructive in its effect.

Sir WILLIAM LYNE.—There is a very limited chance. I have given honorable members all the information that I possess upon the points which have been raised, and I hope the remaining provisions of the Bill will speedily be agreed to.

Mr. SKENE (Grampians) [8.0].—The Minister of Trade and Customs spoke of somebody having placed the cart before the horse, but, in my judgment, he fell into a somewhat similar error in his remarks concerning the establishment of a Federal Bureau of Agriculture. I understood him to say that the time might arrive when the detailed work of the States Departments of Agriculture should be taken over by the Commonwealth.

Sir WILLIAM LYNE.—No; I said that the time might come when the States would not desire to maintain their Departments of Agriculture on their present basis—that they might desire only to retain their experimental farms, and that the Commonwealth would then be justified in establishing a central bureau of agriculture.

Mr. SKENE.—Then I misunderstood the honorable gentleman. A good deal has been said as to the expense that would be incurred in establishing such a Department. If we established a central office, which would collect all the information obtainable from the States Departments, and make it readily available to the public, no great expense would be incurred. As far back as July, 1901, the honorable and learned member for Bendigo proposed that, in the opinion of the House, a Federal Bureau of Agriculture should be established.

Mr. JOSEPH COOK.—And the Attorney-General very strongly supported that proposal.

Mr. SKENE.—That is so. I then held the view that I hold to-day—that the proposal could not be effectively carried out unless with the assistance of the States Departments of Agriculture. I moved an amendment in that direction, but, although five years have elapsed since that proposition was submitted, nothing has yet been done.

Sir JOHN QUICK.—Although the motion was carried unanimously.

Mr. SKENE.—I thought that it disappeared from the business paper.

Sir JOHN QUICK.—It was carried during the second session of the first Parliament.

Mr. SKENE.—And was not amended as I originally proposed. Very little expense would be incurred in establishing a central agricultural office in which all the information obtainable from the States Departments would be focussed. If such a Department had been established, we should have had at our disposal to-day much information that would prove useful to us in dealing with this Bill. It would be well for the Minister to ascertain whether the works issued by the States Departments could not be collected by an expert and revised for Federal use.

Sir WILLIAM LYNE.—I propose to take action in that direction as soon as this Bill is passed.

Mr. SKENE.—I thought that the honorable gentleman considered that it would be necessary at the outset to establish a complete bureau of agriculture.

Sir WILLIAM LYNE.—Certainly not.

Mr. SKENE.—Then the Minister proposes to establish a central office which will collect all the information obtainable from the States Departments, and make it available to the public.

Sir WILLIAM LYNE.—The chances are that the States Departments will work in harmony with us, and practically take over the administration of the Bill.

Mr. SKENE.—I believe that they will; but I do not think that the States would agree to completely transfer their Departments of Agriculture to the Commonwealth.

Sir WILLIAM LYNE.—I do not propose that they should do so.

Mr. SKENE.—I am glad to have that statement from the Minister, for his speech conveyed to me the impression that he considered the Commonwealth should eventually take over the detailed work now carried out by those Departments.

Mr. PAGE (Maranoa) [8.5].—I am surprised that the honorable member for Grampians should advocate the creation of another Department. We have already incurred a large expenditure in connexion with new Departments, and if we are to have an expensive staff to administer this measure, we shall have practically nothing left of this sum of £500,000 to distribute amongst the growers.

Mr. SKENE.—The cost of administration would not be deducted from the amount voted for the payment of bounties.

Mr. PAGE.—If I thought that these bounty proposals would not be self-contained, I should not vote for them. From what I have heard during the last two or three days, it seems to me that the free-traders have fallen from grace.

Mr. WILKS.—The honorable member slipped on a banana skin.

Mr. PAGE.—That was years ago. One of the most ardent free-traders in the House slipped to-day over condensed milk; another one slipped over sugar; and another over the iron industry. The leader of the Opposition, when at Charters Towers, slipped over sugar, and at Ipswich he slipped over cotton.

Mr. JOSEPH COOK.—What is the position of the honorable member in regard to this Bill?

Mr. PAGE.—I, too, am slipping. When I see the honorable member "coming in out of the wet," I feel that it is time for me to do so. If it is good enough for the honorable member for Dalley to "slip" in connexion with this Bill, it is good enough for me to do so. As long as I stand by him, I shall be on the safe side of the hedge. If he has enough nous to "come in out of the wet" for the sake of the farmers of Balmain, then it is good enough for me to do the same for the sake of the artisans of Maranoa. The point I wish to emphasize is that we should not have a duplication of Departments. I should vote against this Bill if I thought that it would have such a result. There is a Department of Agriculture in every one of the States, and I am satisfied that the Queensland Department will afford every assistance to the Minister in his efforts to promote the interests of tropical agriculture.

Mr. MCCOLL (Echuca) [8.8].—I do not think that the honorable member for Maranoa has studied the operations of the central Departments of Agriculture in other countries.

Mr. PAGE.—I have not been to the United States of America.

Mr. MCCOLL.—If the honorable member had studied the working of the United States of America Central Bureau of Agriculture, he would know that the people glory in it, and that it works hand in hand, so to speak, with the States Departments in promoting the welfare of the industries of the country. We shall do well if we follow the excellent example set us in that regard by the United States of America. Its

central bureau has been a pronounced success, and we should not delay the establishment of a similar institution in the Commonwealth. I should be sorry if it went forth that, in the opinion of this House, a Federal Bureau of Agriculture should not be established at an early date. We shall never arrive at a proper understanding of the science of agriculture, or secure proper relations between our agricultural experts and the people, until we have such a Department.

Mr. JOSEPH COOK (Parramatta) [8.10].—I think that the Committee will be disposed to be satisfied with the statement of the Minister; but one wonders why it was not made when we entered upon the consideration of this Bill this afternoon.

Sir WILLIAM LYNE.—It would have been, but that I was interfered with by the honorable member for New England, who rose as I was about to speak.

Mr. JOSEPH COOK.—That means that the Minister in charge of the Bill would deliberately waste the time of the Committee in order to give a display of his stubbornness and his vindictiveness towards an honorable member.

Sir WILLIAM LYNE.—No.

Mr. JOSEPH COOK.—That is what his statement amounts to.

Sir WILLIAM LYNE.—I did not intend to convey such an inference.

Mr. JOSEPH COOK.—Both the Minister and his colleague would do well to dismiss such ideas from their minds. We are here to help them to push on with business, but they do not promote that object when they begin hurling across the Chamber accusations in reference to criticism that has been offered. I am not yet quite satisfied with the Minister's explanation. It is clear that he has in mind the idea of almost solely employing the various States Departments of Agriculture in connexion with this Bill. The question arises whether they have the requisite expert knowledge of these matters. I do not suggest that a Central Bureau of Agriculture should be established at this stage, or in connexion with this Bill. That does not appear to be necessary; but the Minister should satisfy himself that we have the requisite expert knowledge to wisely direct the operations of those who embark upon these industries.

Sir WILLIAM LYNE.—Does not the honorable member think that the authorities of the Wagga experimental farm could give us some useful information?

Mr. JOSEPH COOK.—They would know all about the production of olives.

Sir WILLIAM LYNE.—And perhaps they could give us information with regard to other matters.

Mr. JOSEPH COOK.—I have in mind several instances where the requisite knowledge was not available, with the result that serious consequences accrued. I remember that when we started a tobacco plantation in New South Wales we obtained from America an expert, to whom we paid a high salary, and that eventually, when the tobacco leaf was produced, we had some of it made up. When Minister of Agriculture I had a box of this tobacco in my room, and handed specimen plugs to members and others who called on me; but I never met a man who could smoke a pipe of it. That was the result of our experiments in tobacco-growing in New South Wales. If we are going to do something similar in connexion with the industries to be encouraged under the Bill, this money will be thrown away. We need to have expert advice available before these operations are commenced. Similarly, if a bounty is to be given for the production of rubber, we must have an expert to direct operations who will know the best kinds of trees to plant, how to cultivate them, how to tap them, and all the other details of the industry. Not only is it necessary that the individuals who engage in these enterprises shall be furnished with information as to the best way in which to conduct them, because if they fail it will mean ruin, but the Government will also be interested in insuring success, because failure will mean a blow to the whole bounty system. I hope, therefore, that the Minister will see that the best expert knowledge is available, and that opportunities are given whereby it may be made use of. It seems to me likely that the Queensland Agricultural Department has specialized in regard to a number of the productions mentioned in the schedule. The Queensland Government, for example, pays an expert £2,000 or £3,000 a year to advise in connexion with the cultivation of sugar-cane.

Mr. PAGE.—We have several agricultural experts in Queensland.

Mr. JOSEPH COOK.—The Government propose to grant £500,000 in bounties, and probably another £500,000 will be spent by those who enter upon the industries which are to be encouraged. To

insure the success of the large expenditure thus involved, the Minister should see that the best expert knowledge is obtained, because such knowledge is essential to success. My desire is that the best scheme which can be devised shall be adopted in connexion with these proposals.

Mr. PAGE (Maranoa) [8.17].—The honorable member for Echuca seems to think that I am opposed to the establishment of a Commonwealth Agricultural Bureau, but in that he is entirely mistaken. I would vote for the proposal of the honorable and learned member for Bendigo to-morrow. What I am opposed to is any duplication of the work of Commonwealth or States Departments. I should like to see a Commonwealth Bureau established on the lines of that in the United States, and, no doubt, if its establishment were proposed by the Government, the proposal would be quickly assented to by the House.

Sir WILLIAM LYNE.—The consent of the States would be necessary first.

Mr. PAGE.—They will not move until we do so. It must be recognised that agriculture is the backbone of our prosperity, since all our wealth comes from the land. Therefore, in the interests of the community, we must adopt means for obtaining the best expert knowledge, and provide for its dissemination. No one is more in earnest in regard to this matter than I am.

Mr. WILSON (Corangamite) [8.18].—A very pertinent question occurs to me in regard to this proposal, and that is, where is the necessary money to come from. Except in Victoria and New South Wales, the States Treasuries have been nearly depleted. In private life, a man sometimes feels that a certain thing is absolutely necessary, but, on looking at his bank-book, or examining his pockets, finds that there is no money with which to obtain it, and that the probability is that his income will not allow him to secure it for, perhaps, some years. When that happens, he, perforce, does without for a time. We should act in the same way in dealing with the money of the taxpayers, and, if we cannot afford certain expenditure, should not undertake it. The Treasurer's Budget shows that we have no money to spare, and, therefore, while it may be desirable to give bounties for the encouragement of production, and to establish a central agricultural bureau on the lines laid down by

the honorable member for Echuca, we have no right to increase our expenses.

Mr. WILKS.—The Government propose to throw away £200,000 a year on penny postage.

Mr. WILSON.—They have no chance of carrying that proposal. No doubt Victoria and New South Wales could pay their share of the proposed expenditure, but have we a right to ask Tasmania, whose finances are in a very serious state, to do so?

Sir WILLIAM LYNE.—Tasmania was never better off than she is now.

Mr. WILSON.—The representatives of that State say that the position is otherwise, and that the direct taxation borne by its people is higher than that borne by the residents of any other State.

Sir WILLIAM LYNE.—Yet every one is well off.

Mr. WILSON.—Surely the Minister does not suggest that the more the State takes out of the pockets of the people the better off they are! Then Queensland, South Australia, and Western Australia are not in a position to pay their share of this expenditure.

Mr. WILKINSON.—Queensland will not grumble.

Mr. WILSON.—No, because the greater part of the money will be spent in that State.

Mr. FISHER.—In Australia. There is no mention of Queensland in the Bill.

Mr. WILSON.—That is so, and no doubt we must look at the proposal from a Commonwealth stand-point; but what the honorable member for Moreton suggests is that most of the money proposed to be spent in bounties will be given for the encouragement of industries which can be carried on only in Queensland.

Sir WILLIAM LYNE.—The honorable member is mistaken.

Mr. WILSON.—Can cocoa be grown in any but a tropical climate?

Mr. CARPENTER.—It cannot be grown in Victoria.

Sir WILLIAM LYNE.—It can be grown in New South Wales.

Mr. WILSON.—We know that cotton has been grown experimentally in the northern parts of Victoria, and can be grown in New South Wales and South Australia, but it is being grown chiefly in Queensland, and that is the State in which the industry would be most likely to develop under suitable labour conditions.

Mr. HUTCHISON.—What does the honorable member mean by suitable labour conditions?

Mr. WILSON.—By the employment of labour such as we do not allow to enter Australia.

Mr. HUTCHISON.—And never will, I hope.

Mr. WILSON.—And never will. The production of cocoa, coffee, cotton, and rice are industries for black labour.

Mr. MCCOLL.—Not the production of rice.

Mr. WILSON.—Most of the rice grown in the world is produced by means of cheap coloured labour.

Mr. MCCOLL.—A great deal of rice is now being produced by white labour.

Mr. WILSON.—Most of the rice grown in the world comes from countries where cheap coloured labour is employed. Bounties are to be offered for the production of fibre from flax, ramie, sisal hemp, New Zealand flax, and pandanus.

Sir WILLIAM LYNE.—Most of those are industries which will have to be carried on in the southern parts of Australia.

Mr. WILSON.—Yes. There is a fairly large quantity of flax growing on my own farm.

Sir WILLIAM LYNE.—The honorable member may be able to get part of the bounty.

Mr. WILSON.—I do not intend to compete for it, though I shall be glad to give any one who wishes to do so a few plants.

Mr. SKENE.—Does it pay to cultivate this flax in New Zealand?

Mr. WILSON.—Most of the flax used there grows under natural conditions, and I believe that, owing to the discovery of a new process for treating it, the flax industry is paying handsomely; but, on a place owned by my father-in-law, it was a long time before profitable use could be made of the plant, although a large area of land was covered with it.

Mr. SKENE.—I am under the impression that it does not pay to cultivate New Zealand flax.

Mr. WILSON.—I doubt if it does. Most of the flax now used grows naturally.

Mr. FISHER.—Good luck to those who are making the industry a profitable one.

Mr. WILSON.—I am glad to know of their prosperity. A bounty is also proposed for the canning of fish. At Port Fairy, in the Wannon electoral division, a

large canning factory was established a year or two ago to deal with rabbits, and, in the off season, with fish, and a similar factory has been established at Warrnambool. But at both places it was found that a supply of fish which would make their operations successful was not available.

Mr. HUTCHISON.—Wait until the Commonwealth trawler gets to work.

Mr. WILSON.—I think we shall find that, instead of getting fish, we are losing sovereigns as the result of having a Commonwealth trawler. I say with sorrow that, in my opinion, there is not in Australian waters a fish supply which would justify the establishment of fish-canning factories. We cannot compete successfully in the canning of fish with other countries.

Sir WILLIAM LYNE.—Our herrings are as good as, and as plentiful as, those in the north of Scotland.

Mr. HUTCHISON.—We have magnificent fish of many varieties.

Mr. WILSON.—Experiments carried on from time to time in the various States by means of trawlers have not proved successful.

Mr. HUTCHISON.—The right honorable member for East Sydney says that these experiments have been successful.

Mr. WILSON.—My recollection is that they have not been successful. A bounty is to be offered for the production of sweetened and condensed milk.

Sir WILLIAM LYNE.—Victorian producers would be able to take advantage of that bounty.

Mr. WILSON.—Have we a right to offer a bounty for the production of condensed milk?

Sir WILLIAM LYNE.—Yes, seeing that we now import nearly £200,000 worth per annum.

Mr. WILSON.—No doubt we do; but we have been manufacturing condensed milk for many years.

Sir WILLIAM LYNE.—And we cannot compete with the imported article.

Mr. WILSON.—The industry is now a profitable one. Only recently a private company, the members of which came from New Zealand, bought out a co-operative milk company at Rosebrook, in the Western District of Victoria, in order to start the condensed and powdered milk industry. This took place long before the public, at any rate, knew that any bounties were to be offered for the production of such com-

the enterprise as a purely commercial undertaking, and if the proposed bounties are granted, they will receive a very handsome present at the expense of the general taxpayer. Any advantage derived from the bounties will not go to the producers of milk, but to the company.

Mr. HUTCHISON.—Does not the honorable member think that the bounties will lead to the establishment of other companies?

Mr. WILSON.—No. I think that if the company in question are successful, that fact alone will induce others to engage in similar undertakings. The Commonwealth has no money to spare to devote to such purposes as those contemplated by the Bill. We are not in a position to take up any fancy schemes at present. I should be very glad to assist the industries mentioned in the schedule if we had plenty of money; but our financial position is such that we should hesitate to incur any additional obligations. The olive oil industry has been carried on for many years with great success in South Australia and in other parts of the Commonwealth, and we have no right to take money out of the pockets of the people and give it to olive-growers and others who are now making a satisfactory profit. Linseed oil and essential oils have been successfully manufactured in Australia, although I do not know that we have produced any appreciable quantities of castor, colza, or sunflower oil. It is an open question as to whether we should throw away any money in endeavouring to grow rice under the conditions which prevail in the Commonwealth. The Minister had something to say with regard to the large number of rubber trees that are now growing in Queensland. I should like to know whether the Minister referred to native or cultivated rubber trees.

Sir WILLIAM LYNE.—I referred to the native rubber tree.

Mr. WILSON.—The Minister should know that the native trees do not produce an article so suitable for commercial purposes as that produced by the cultivated rubber trees. I think that the Bill should specify that the bounty will be payable only in respect to rubber suitable for commercial purposes. As the honorable member for New England has pointed out, many years must elapse before a plantation of rubber trees can become productive. The Para rubber is the best, and I should like

Australia a climate suitable for the production of that commodity. Probably the most suitable land would be found in the northern parts of Queensland and in the Northern Territory, and by offering the bonus we might encourage some persons to give up the cultivation of sugar cane in favour of rubber. It must be remembered that the present Government will not have to find the money required for the payment of bonuses, and I do not see any reason why we should hamper future Ministries by passing a measure such as that now before us. In view of the financial position of the States and of the Commonwealth, we should not entertain a scheme such as is now submitted to us, but defer its consideration until we have more money at our disposal.

Clause, as amended, agreed to.

Clause 3—

1. The bounties payable under this Act shall be at the rates specified in the schedule, and shall be payable in respect of goods:—

- (a) of a merchantable quality which have been grown on or produced from not less than the prescribed acreage and within the prescribed period; and
- (b) which have been produced by white labour only.

2. Bounties shall be payable to the grower or producer of the goods in the manner prescribed and subject to the prescribed conditions.

Amendment (by Sir WILLIAM LYNE) agreed to—

That after the word “producer,” in sub-clause 2, the words “or both” be inserted.

Amendment (by Sir WILLIAM LYNE) proposed—

That the following words be added:—“For the purposes of this section, ‘producer’ shall include any person who manufactures or treats the raw material in such manner as to produce therefrom goods of a merchantable quality.”

Mr. PAGE. — Do I understand that the manufacturer and not the producer will derive the benefit of the bonus under the Minister's proposal?

Sir WILLIAM LYNE (Hume—Minister of Trade and Customs) [8.40].—No. The grower may be also the manufacturer. He may convert the raw material into a merchantable article, and, in that event, he will be entitled to claim the whole of the bonus.

Amendment agreed to.

Mr. McCOLL (Echuca) [8.41]. — I move—

That the following proviso be added:—“Provided that the bounties shall be divided, as

prescribed, so that they will be paid to the grower on production of a product fit for treatment, and the person who converts such raw product into a finished article."

The amendment adopted at the instance of the Minister does not provide that the bonus shall be paid at any particular time, and my object is to secure that the producer of the raw material shall obtain his reward as soon as his work is done. There is no provision of that kind in the Bill. The Minister in charge of the measure, on Friday last expressed the opinion that my amendment would be an improvement, and agreed to accept it.

Sir WILLIAM LYNE.—I accept it.

Mr. HUTCHISON (Hindmarsh) [8.43].—I think that we should satisfy ourselves that the amendment is worded in such a way as to convey what is intended. It seems to me that, as it now stands, it would be open to a manufacturer to claim the bonus before he had converted the raw product into a finished article.

Sir WILLIAM LYNE.—I think that my amendment would meet the point mentioned by the honorable member.

Mr. WILSON (Corangamite [8.44].—I think that, in order to place the matter beyond all doubt, it would be well to substitute the words "has converted" for the word "converts." If the Minister will accept the amendment which I have suggested, I will move in that direction.

Sir WILLIAM LYNE.—I am quite agreeable to accept it.

Mr. WILSON.—Then I move—

That the word "converts," line 5, be left out, with a view to insert in lieu thereof the words "has converted."

Amendment of the amendment agreed to.

Amendment, as amended, agreed to.

Clause, as amended, agreed to.

Clause 4—

The owner, occupier, or lessee of any land or factory in which the goods were produced, or in which the goods have undergone any process, shall be deemed to have been employed in the production of the goods.

Mr. HUTCHISON (Hindmarsh) [8.47].—I trust that the Committee will not agree to this clause. In its present form the owner of any land upon which the articles mentioned in the schedule have been produced will be entitled to share in the proposed bounty. He may simply let his land, and he will be able to participate in the bounty. I think that we should bring the provision into harmony with the previous clause by insuring that the bounty shall be

payable only to the producer and the manufacturer.

Mr. McCOLL.—It is not intended that the owner of the land shall share in the bounty.

Mr. HUTCHISON.—But that is what the clause, in its present form, means. In my judgment, the provision should be struck out. Evidently it requires to be redrafted.

Mr. McCOLL (Echuca) [8.48].—According to the statement contained in the marginal note, this provision has been copied from the Sugar Bounty Act of 1905. But I would point out that in clause 4 of that Act the word "owner" does not appear, and I see no reason why it should be employed in the provision under consideration.

Sir WILLIAM LYNE (Hume—Minister of Trade and Customs) [8.49].—If the honorable member for Hindmarsh will allow the clause to pass in its present form I promise to consent to its recommittal at a later stage. I think that he is probably correct in his contention, and that the provision is not required; but I cannot satisfy myself upon that point until I have seen a clean copy of the Bill.

Mr. HUTCHISON.—I am quite satisfied to accept the Minister's assurance.

Mr. KELLY (Wentworth) [8.50].—We all regret the *impasse* at which we have arrived owing to the fact that the Minister has not sufficiently considered the provisions of this Bill. But I hope that we shall not hesitate to rescue the honorable gentleman from his awkward predicament.

Mr. WILSON (Corangamite) [8.51].—I am very glad to notice the new-born zeal of the honorable member for Wentworth. But it is our duty to enact legislation upon proper lines. I hold that the clause under consideration should be omitted, and that should it be found necessary, it should be reinserted at a later stage. We have no right, on the mere assurance of the Minister, to allow a provision of this character to pass. Under its operation, as the honorable member for Hindmarsh has very properly pointed out, the owner of land might participate in the bounty payable upon any particular product. I feel that the Committee is not doing the right thing by permitting this clause to be retained for a moment longer than is necessary.

Mr. KELLY (Wentworth) [8.55].—I sincerely hope that the Committee will not endorse the attitude taken up by the honorable member for Corangamite. I have carefully

the House, and the more closely I have done so the more I have been satisfied that it is altogether too much to ask the Minister to understand his own measure upon a sudden emergency.

Question—That the clause as read stand part of the Bill—put. The Committee divided.

Ayes	32
Noes	7

Majority	25
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AYES.

Bamford, F. W.	McColl, J. H.
Bonython, Sir J. L.	O'Malley, K.
Brown, T.	Page, J.
Carpenter, W. H.	Poynton, A.
Chanter, J. M.	Quick, Sir J.
Chapman, A.	Ronald, J. B.
Culpin, M.	Skene, T.
Deakin, A.	Spence, W. G.
Ewing, T. T.	Storrer, D.
Fisher, A.	Thomas, J.
Forrest, Sir J.	Tudor, F. G.
Glynn, P. McM.	Watson, J. C.
Groom, L. E.	Wilkinson, J.
Hutchison, J.	
Kennedy, T.	
Lyne, Sir W. J.	
Mauger, S.	

Tellers:

Cook, Hume
Kelly, W. H.

NOES.

Cameron, D. N.	Wilks, W. H.
Fuller, G. W.	
Johnson, W. E.	Tellers:
Lee, H. W.	Liddell, F.
	Wilson, J. G.

Question so resolved in the affirmative.

Clause agreed to.

Clause 5 (Minimum rate of wages to be paid).

Mr. KELLY (Wentworth) [9.0].—I should like to know whether the rates of wages to be paid to those engaged in any industry are to be the same all over Australia, or whether those carrying on operations in districts where low wages are paid are to have equal opportunities with those living in districts where high wages prevail to secure the bounties?

Sir WILLIAM LYNE (Hume—Minister of Trade and Customs) [9.1].—I think that the course that will be adopted under this clause, and which will be in accordance with the law, is that we shall require those engaged in any industry in respect of which a bounty is paid to receive the standard rate of wages prevailing in the district or place in which the goods are grown or produced. It may be that in Tasmania the standard wage is lower than that paid in Queensland, but the clause does not provide for an average wage to be paid all

claiming bounty will have to pay the standard rates of wages in the district in which the goods are grown or produced.

Mr. KELLY (Wentworth) [9.2].—It seems to me that under this clause producers residing in districts where high wages naturally obtain, will not be able to obtain such a profit as will be secured by those carrying on operations in districts where low wages are paid. It will mean that these bounties will practically be paid to low-wage industries.

Sir WILLIAM LYNE.—There is no low-wages about these proposals.

Mr. KELLY.—The honorable gentleman knows that the rates of wages vary in the several States.

Mr. SKENE.—What constitutes a "district"—a State or part of a State?

Mr. KELLY.—The clause is very vague. "District" may mean a municipal district or a whole State.

Mr. PAGE.—It would mean, for instance, the Cairns district or the Melbourne district.

Mr. KELLY.—After that lucid explanation, I think we are in a better position to appreciate the meaning of this clause. The point, however, is that it must be interpreted, not according to the views of the honorable member, but according to the law. How does the Minister propose to cope with this difficulty? Unless he endeavours in some way to meet it, he will find that these bounties will foster industries in places or districts where low instead of high wages obtain. If the Labour Party are content with that state of affairs, then the responsibility must rest with them.

Mr. LEE (Cowper) [9.4].—I should like to know whether a farmer who, for instance, employs his children in picking cotton, will be eligible to receive the bounty?

Sir WILLIAM LYNE.—Certainly.

Mr. LEE.—But this clause provides that standard rates of wages shall be paid.

Sir WILLIAM LYNE.—The honorable member would not expect us to require a farmer to pay the standard rate of wages to one of his children who, say, is ten years old, and is engaged in picking cotton.

Mr. LEE.—No; but I wished to have the point cleared up.

Mr. WILSON (Corangamite) [9.5].—This clause is more or less governed by clause 6.

6.
Mr. WILSON.—Clause 6 provides that any aboriginal native of Australia may be employed in these industries. The honorable gentleman must know that under this clause, aborigines, or half-caste Chinese, or kanakas will have to be paid the same wage as is paid to full-blooded white men.

Mr. STORRER.—Why should they not receive the same wage?

Mr. WILSON.—Surely the honorable member would not say that aboriginal natives of Australia should receive the same wage as full-blooded white men?

Mr. HUTCHISON.—In the shearing industry they receive the same wages.

Mr. WILSON.—It has been the custom for centuries to pay coloured men a lower wage than is paid to white men. How is the Minister, under these conditions, to determine what is the standard rate of wages?

Sir WILLIAM LYNE.—There is a similar section in the Sugar Bounty Act, and no difficulty has arisen in connexion with it.

Clause agreed to.

Clause 6 (Employment of Aborigines).

Mr. KELLY (Wentworth) [9.7].—This clause, which reads as follows, needs to be amended—

The employment of any aboriginal native of Australia or of any coloured person born in Australia and having one white parent in the growing or production of any of the goods speci-

cally named to bounty under this Act. It means that any half-breed can derive the benefits of this Act, but that the children of two half-breeds cannot.

Sir WILLIAM LYNE.—The honorable member should read the first words of the clause.

Mr. KELLY.—The Minister now wishes us to believe that the words "aboriginal native" apply to any half-breed who is born in Australia.

Sir WILLIAM LYNE.—Any half-breed, or any Australian native.

Mr. KELLY.—Can the Minister say that the child of two half-breeds has one white parent?

Mr. PAGE.—But has the honorable member considered the words "any coloured person born in Australia"?

Mr. KELLY.—They are governed by the words "and having one white parent." It is clear that the clause as it stands, whilst giving certain privileges to half-breeds, does not extend those privileges to the children of half-breeds. I do not raise this question because of any desire to obstruct the passing of the Bill; the defect is one that must be remedied. I could not ask the Minister to amend it on the spur of the moment—his mind moves hardly quick enough for that—but I hope that he will move the recommittal of the clause.

Clause agreed to.

Clause 7 agreed to.

SCHEDULE.

FIRST COLUMN. Goods on production of which Bounties are granted.	SECOND COLUMN. Period during which Bounty may be paid.	THIRD COLUMN. Rates of Bounty.	FOURTH COLUMN. Maximum amounts which may be paid in any one year.
			£
Cocoa	9 years ...	1d. per lb. on dried beans	1,000
Coffee	8 years ...	} 1d. per lb. ...	2,500
Chicory	8 years ...		
Cotton	5 years ...	10 per cent. on market value	4,500
Fibres—Flax, Ramie, Sisal Hemp, Hemp, New Zealand Flax, Pandanus, and such other fibres as are prescribed	10 years ...	10 per cent. on market value	6,000
Fish—Canned or tinned	5 years ...	½d. per lb. ...	11,000
Milk—Sweetened Condensed	5 years ...	½d. per lb. ...	5,000
Milk—Powdered	5 years ...	½d. per lb. ...	5,000
Oils—Olive, China, Linseed, Castor, Colza, Sunflower, Essential, Cottonseed, and such other oils as are prescribed	10 years ...	10 per cent. on market value	6,500
Rice	5 years ...	20s. per ton ...	1,500
Miscellaneous—Rubber, Kapok, and such other goods as are prescribed	10 years ...	To be prescribed by regulation	7,000
			£50,000

Mr. KELLY (Wentworth) [9.12].—The Minister secured a certain measure of support for clause 2 by the statement that when we reached the schedule he would make an explanation as to the operation of the Bill.

Sir WILLIAM LYNE.—I said that I would give any information that might be desired.

Mr. KELLY.—*Hansard* will show that my statement is correct.

Sir WILLIAM LYNE.—If the honorable member had read the *Hansard* report of my second-reading speech he would know that further information is unnecessary.

Mr. KELLY.—I think that in his second-reading speech the Minister explained almost everything but the measure. I asked the honorable gentleman this afternoon to give us clear information as to the time that is likely to elapse between the date of planting and the maturing of these crops. In the memorandum circulated amongst honorable members he has given us information with respect to coffee and cocoa, but not with regard to cotton and several other products mentioned in the schedule. The Minister will see that there is some reason for my request, since he has undertaken not to expend out of the total of £500,000 more than £75,000 per annum. He will have to expend the £500,000, if he spends it at all, within ten years of a certain date. We are told that the cocoa tree will not bear until four or five years after planting, so that the bounty to be given in respect of that product will be payable for only five years out of the ten during which this system is to prevail. Then, again, the coffee plant does not come into bearing until three years after planting. It will thus be seen that in most cases these bounties will not come into operation for a number of years. Will there be a sufficient production in the concluding years of the period to allow of the expenditure of the £500,000 asked for? I think that the Minister will see that my request for information is such as can hardly be overlooked.

Sir WILLIAM LYNE.—I should prefer to deal with each article separately.

Mr. KELLY.—It will be quicker if the Minister deals with the schedule as a whole.

Sir WILLIAM LYNE (Hume—Minister of Trade and Customs) [9.16].—The first item in the schedule is cocoa, for which a bounty is to be given for a period of nine

years. The bounty is to be at the rate of 1d. per lb. on dried beans, and the payments are not to exceed £1,000 per annum, though possibly I shall ask the Committee to increase that amount, because I intend to move the omission of chicory, and to apportion the £2,500 now allotted as a bounty for the production of coffee and chicory to other articles on the schedule.

Mr. KELLY.—Why was chicory included?

Sir WILLIAM LYNE.—Because I was informed that there is not sufficient chicory grown in Australia to meet the demand.

Mr. PAGE.—There is one place in Victoria which can supply the whole Commonwealth.

Sir WILLIAM LYNE.—Yes. I found that out afterwards.

Mr. PAGE.—Did the honorable gentleman get his first information from his officials?

Sir WILLIAM LYNE.—The results of inquiries by other persons were conveyed to me through the officials. It takes a cocoa tree or shrub from four to five years to come to maturity. I propose to make the Act come into force on the 1st day of January next, and no bounty will be payable on cocoa until at least four years after that date, so that the payments made will all take place within the last five years. I referred to that possibility when I spoke of the probable variations in the payments.

Mr. PAGE.—How much cocoa is grown in the Commonwealth?

Sir WILLIAM LYNE.—Not very much.

Mr. PAGE.—Can cocoa be grown in Australia?

Sir WILLIAM LYNE.—Yes. My information about it is that—

The conditions especially suited to its culture are warm humid climate, plentiful rainfall, and rich alluvial soil. Its successful culture is, therefore, to some extent, restricted, but ample areas of eminently suitable localities exist on and about the northern rivers of Queensland to produce all the requirements of the Commonwealth.

The importation of raw cocoa was in 1903 valued at £20,008; in 1904, at £17,027; and in 1905, at £19,441, the importation of manufactured cocoa for those years respectively being valued at £138,103, £157,527, and £185,686. The importation of coffee in 1904 was 1,291,114 lbs., valued at £37,668, and in 1905 1,754,866 lbs., valued at £54,482. The importation of ground coffee in 1904 was 403,529 lbs., valued at £20,523; and in 1905, 324,558 lbs., valued at £16,928.

The production in Australia amounts to 83,632 lbs. per annum.

Mr. WILSON. — Then why should a bounty be given for the production of coffee?

Sir WILLIAM LYNE.—Because of the immense margin between the local production and the importation.

Mr. WILSON.—It is not likely that coffee is being produced at a loss. If there were no profit on its production, the industry would soon cease.

Sir WILLIAM LYNE.—I do not think that there is much profit, and some persons are ceasing to grow coffee. Norfolk Island is a place well suited for this industry; but the plantations there have been given up.

Mr. GLYNN.—Coffee is still being grown in Norfolk Island.

Sir WILLIAM LYNE.—I know that some of the largest plantations in the island have been abandoned.

Mr. JOSEPH COOK.—We could not give a bounty for coffee produced in Norfolk Island.

Sir WILLIAM LYNE.—Now that Norfolk Island is under the control of the Commonwealth, we should, when we have imposed certain restriction in regard to labour conditions, provide for the encouragement of its industries.

Mr. GLYNN.—The Government might, perhaps, apply its preferential trade proposals to that island.

Sir WILLIAM LYNE.—The bounty of 1d. per lb. to be given on coffee beans will be equal to about 10 per cent. Coming to cotton, the very lucid and instructive speech of the honorable member for Moreton will show honorable members what development may take place in regard to the cotton industry. In 1904, we imported 537,793 lbs. of raw cotton valued at £11,844, and in 1905, 1,049,306 lbs. valued at £20,962. In addition there was, of course, an immense importation of cotton goods. The honorable member for Moreton gave the history of the cotton industry in Queensland, and spoke of cotton plantations having been established there many years ago. I had the privilege of visiting what I believe was the first cotton plantation in that State. It was an extensive plantation on the Logan River, cultivated by kanakas, and the cotton when I saw it in 1864 was flourishing as well as it could anywhere. Only a short time ago, I received from the Hawkesbury Agricultural Col-

lege some pods which show that the cotton grown there is as good as can be grown. I am informed that cotton can be grown even in the northern parts of Victoria with successful results.

Mr. WILSON. — It has been grown at Mildura.

Sir WILLIAM LYNE. — Honorable members will thus see what enormous dimensions the industry might assume if it were sufficiently encouraged.

Mr. KELLY. — Did the experts at the Hawkesbury College, in New South Wales, tell the Minister that cotton could be profitably grown in New South Wales?

Sir WILLIAM LYNE.—They did not tell me so. I did not have an interview with the principal of the college; but I am informed by others who have had conversations with him that he holds the opinion that cotton can be profitably grown in that State. It certainly can be successfully cultivated in Queensland, and there is beyond doubt an immense area of country suitable for its production. I believe that many of the fibres enumerated in the schedule can be grown more successfully in the southern States than further north. Honorable members will see, by reference to the general statement which has been submitted for their information, that the imports for 1904 and 1905 were as follows:—

1904.			
	cwt.		£
Coir ...	7,459	...	3,535
Flax and hemp ...	85,049	...	145,925
Jute ...	4,462	...	4,354
Other ...	—	...	—
1905.			
	cwt.		£
Coir ...	9,885	...	3,303
Flax and hemp ...	74,186	...	128,383
Jute ...	3,622	...	2,671
Other ...	3,500	...	5,146

Mr. JOSEPH COOK.—Is not jute merely the refuse of the flax?

Sir WILLIAM LYNE.—I do not think it is the refuse, but merely the coarser part of the fibre. It will be seen that there is great scope for the production of these materials to meet our own requirements, if for no other purpose.

Mr. WILSON.—A bonus has been offered in Victoria for many years past for the production of flax; but, except in Gippsland, the result has not been encouraging.

Sir WILLIAM LYNE.—If flax is not grown, no bounty will have to be paid.

Mr. JOSEPH COOK.—That is right. In the meantime, the elections will be over.

member should not make suggestions of that kind. He knows that I would be perfectly innocent of bringing forward any proposal that would partake of the character of an electioneering placard. Now, with reference to fish.

Mr. KELLY.—Why is the Minister so keen on fish?

Sir WILLIAM LYNE.—Because there is a great opening for the development of our fishing industry. Great apathy exists at the present time, and I think that the industry is one worthy of development. If the bounties have no stimulating effects, no harm will be done. I would refer honorable members to the particulars given, in the statement to which I have previously referred, with regard to the importations of fish. The imports are given as follows:—

	1904.	lb.	£
Fresh			
Smoked or preserved by cold process ...	941,189		12,060
Potted or concentrated, &c.	—		9,747
Preserved in tins ...	11,872,801 cwt.		249,054
N.e.i.	15,736		24,662
	1905.		
Fresh			
Smoked or preserved by cold process ...	1,275,175		16,505
Potted or concentrated, &c.	—		8,508
Preserved in tins ...	13,463,838 cwt.		288,371
N.e.i.	16,992		27,898

Mr. WILSON.—The tinned fish imported includes many kinds that we cannot obtain here, such as salmon and sardines.

Sir WILLIAM LYNE.—We have plenty of fish used as sardines round our coasts, and we can procure in Australian waters as good fish as swim in the sea. A considerable number of the so-called sardines placed upon our market are caught and put up here.

Mr. WILKS.—They are young mullet.

Sir WILLIAM LYNE.—Perhaps they are. They are certainly not as small as the sardines that are caught in some other parts of the world, but they are a very good article of food.

Mr. WILSON.—Do I understand that so-called sardines are caught and preserved here and placed upon the market at present?

Sir WILLIAM LYNE.—Yes.

Mr. WILSON.—Then why should we offer a bounty for the encouragement of

cess?

Sir WILLIAM LYNE.—Because the industry has not assumed the proportions that it should do. Moreover, I do not know that it is a financial success. From the figures that I have quoted, it will be seen that the total amount of fish imported is about 16,000,000 lbs., valued at £320,000.

Mr. LEE.—And the Minister is proposing to provide for bounties in respect to the production of 5,600,000 lbs., or a quantity equal to one-third of the total importations.

Sir WILLIAM LYNE.—It is not proposed to make provision for the development of the industry up to the extent of fully meeting our requirements; but if we succeed in producing sufficient preserved fish to supply one-third of our needs, we shall do very well. With regard to milk, sweetened condensed, and powdered, I wish to point out that the imports of preserved milk in 1904 amounted to 11,196,882 lbs., valued at £197,253, whilst in 1905 the imports amounted to 10,895,469 lbs., valued at £194,658. I suppose that the imports consist principally of what is known as Nestle's milk. I have been informed by the honorable member for Canobolas that the manager of one of the large butter factories in the northern part of New South Wales states that the local manufacturers have not discovered the secret of preserving milk with the same success that is achieved by foreign producers.

Mr. LEE.—Our milk does not keep as well as that which is preserved abroad.

Sir WILLIAM LYNE.—The condensed milk, locally manufactured, is valued at between £20,000 and £30,000 per annum. Representations have been made to me that the proposed bounty of $\frac{1}{4}$ d. per lb. for condensed milk is not sufficient, and I intend to increase the rate of payment to $\frac{1}{2}$ d. per lb. I also propose to increase to 1d. per lb. the rate of bounty payable in regard to powdered milk. Powdered milk is much more expensive than condensed milk, and even at the higher rate of bounty the payment in regard to it will not be so great in proportion as that proposed for other commodities.

Mr. POYNTON.—What is the present rate of duty upon condensed milk?

Sir WILLIAM LYNE.—One penny per lb. I do not know what duty is levied upon powdered milk.

Mr. LEE.—I do not think there is any duty, because the product is a comparatively new one.

Sir WILLIAM LYNE.—I am informed that 100 lbs. of whole milk yield about 36 lbs. of sweetened condensed product, and that 100 lbs. of whole milk yield about 13 lbs. of powdered milk. The imports of oils in 1904 and 1905 were as follow:—

1904.		Gallons.	£
Olive	...	28,420	6,518
China	...	207,931	21,869
Linseed	...	—	105,220
Castor	...	400,000	38,857
Colza	...	20,428	2,160
Sunflower	...	—	—
Essential	...	—	—

1905.		Gallons.	£
Olive	...	16,330	3,512
China	...	164,158	21,784
Linseed	...	883,173	80,235
Castor	...	315,947	32,489
Colza	...	5,852	605
Cotton seed	...	108,067	9,453
Sunflower	...	—	—
Essential	...	—	25,969

Mr. PAGE.—I thought that the Minister desired to pass the Bill through to-night.

Sir WILLIAM LYNE.—So I do; but I have been asked for information, and I am merely complying with the requests of honorable members.

Mr. HUTCHISON. — Refer them to the printed memoranda.

Sir WILLIAM LYNE.—I did not desire to give this information, but I have been pressed to give it. The only other items to which I intend to refer are rice and rubber. I find that during 1905 the importations of rice, uncleaned, aggregated 259,000 centals, valued at £113,554, and of rice, n.e.i., 253,319 centals, valued at £112,939. There is thus a large vacuum which requires to be filled up. In 1904 the importations of rubber manufactures, including crude rubber, were valued at £100,389, and in 1905 at £102,983, whereas the importations of rubber manufactures, n.e.i., in those years were valued at £100,275 and £129,482 respectively.

Sir JOHN QUICK (Bendigo) [8.47].—I should like some definite information regarding the intended destination of the bounty upon olive oil. I hope that it is not intended that it shall pass into the pockets of the rich growers and manufacturers who are already established and in the enjoyment of the proceeds of a lucrative industry. I have no objection to urge against the payment of the bounty, so long as it is limited to the

production of new olive trees. But it is distinctly objectionable to put a bonus into the pockets of persons who have never asked for it, and who do not want it. When the Tariff Commission was sitting in South Australia we obtained some evidence respecting the olive oil industry in that State. We found that it was well established, and that it produced a splendid article. The only objection which the growers had to raise was against the proposed reduction of the duty upon cotton-seed oil. Under the existing Tariff there is a duty of 1s. 4d. per gallon upon olive oil, and in reference to that matter I asked Mr. G. F. Cleland, who was a representative witness, the following questions:—

You contend that the abolition of the duty would lead to further importations of cotton seed oil to compete with your olive oil?—Yes, and our olive oil would be adulterated with the cotton seed oil.

As to both items you wish the Tariff to remain as it is?—Yes.

Mr. Cleland spoke upon behalf of himself, Messrs. Thos. Hardy and Sons Ltd., the Waverley Vinegar Company, the Stoneyfell Olive Company Ltd., and Messrs. W. P. Auld and Sons. We were informed that the Stoneyfell Company have 100 acres under olive cultivation, and that Sir Samuel Davenport had about fifty or sixty acres; also, that there were a great number of small gardens, of five or six acres. We were further told that the capital invested in the industry in South Australia was between £50,000 and £60,000, and that the total output of olive oil from the existing plantations was from 20,000 to 25,000 gallons per annum. The wholesale price realized for that product is from 8s. 6d. to 9s. 6d. per gallon, the imported article commanding only 6s. 6d. per gallon. According to the present output, therefore, I estimate the value of the total production of olive oil in South Australia at about £10,000 annually. The gentlemen who are engaged in this industry, I think, would merely laugh up their sleeves if this bounty were forced upon them. Whilst strong arguments may be urged in favour of extending the industry and of encouraging the planting of fresh plantations, it is not necessary to offer a bonus to Sir Samuel Davenport and the other gentlemen who are engaged in this trade, who are well established, and who really enjoy a monopoly of the olive oil production of the Commonwealth. I would seriously impress upon the Minister the need for considering the

would urge that in the regulations which he frames he should limit the payment of the bounty to olive oil which is the product of new plantations.

Mr. WILKS (Dalley) [9.52].—I have very great pleasure in supporting the contention put forward by the honorable and learned member for Bendigo. He has come to this Committee fresh from Tariff investigation, and is well supplied with information derived from those who are engaged in the olive oil industry. He tells us that the value of their output is about £10,000 per annum. Yet we are asked to sanction the annual payment of a bounty of £6,500 to persons who do not require it. Earlier in the debate we were informed that the olive plantations which formerly existed at Mildura had been allowed to pass out of cultivation, and that the trade in olive oil had drifted to South Australia. I have often heard the expression in reference to greasing the fat pig, but it seems to me that under the proposal of the Minister we are reallng oiling the fat pig. Personally, I am opposed to the system of bounties, because I recognise the evils which are inherent in it. Every honorable member who supports the proposals contained in this Bill has to urge some excuse for his attitude. The honorable and learned member for Bendigo has emphasized the need for limiting the bounty to the product of new plantations. As a consumer of olive oil, I know that my medical advisers assured me that the best oil was that which is produced in South Australia.

Sir JOHN QUICK.—It is a first-rate article.

Mr. WILKS.—The medical fraternity do not recommend the use of Italian oils because they are largely adulterated with cotton seed oil. It is the purity of the South Australian article that causes it to command such a ready sale. I trust that the Minister will agree to the elimination of this item, and thus save to the Commonwealth £6,500 annually. The argument of the honorable and learned member for Bendigo that the bounty should not be paid to a large corporation does not weigh with me in the slightest degree. The only point upon which I have to be satisfied is whether the industry requires the assistance proposed to be extended to it. I cannot differentiate between a large company and a small company, or between a large company and a private individual.

rise to champion the payment of a bounty upon the production of olive oil, but I wish the Committee to be very careful in what they are doing. If we strike out the item under consideration, it will be necessary to strike out the proposals of the Government in regard to other oils. For example, I am assured that linseed oil is used for the adulteration of olive oil. This is a question which ought not to be hurriedly decided merely upon the ground that the olive oil industry is paying in South Australia, because it is proposed to subsidize another industry which will detrimentally affect the olive oil industry, and which is already established. I suggest that the Minister should obtain further information before agreeing to strike out this item.

Sir WILLIAM LYNE.—I will not agree to strike it out.

Mr. HUTCHISON (Hindmarsh) [9.59].—I agree with the remarks of the honorable and learned member for Bendigo that it is not necessary to offer a bounty for the manufacture of olive oil. At the same time, it is necessary that more olives should be produced than are at present grown in the Commonwealth. I would point out to the honorable member for Grey that the other oils which are enumerated in the schedule do not compete with olive oil. As has already been stated by the honorable and learned member for Bendigo, the olive oil which is imported is sold at a much cheaper rate than is the South Australian article, because the former is largely adulterated with cotton seed oil. We are legislating in this Parliament against adulteration, and the States Parliaments are taking similar action. A Bill is soon to be brought before the South Australian Parliament which will prevent the importation of oil of the character referred to by the honorable member. The point is that the public believe that they are buying pure olive oil, when in reality they are buying cotton-seed oil. The difficulty is one that may readily be overcome. Cotton-seed oil is valuable for certain purposes.

Mr. WILKINSON.—The Commerce Act will apply to such importations.

Mr. HUTCHISON.—Had it been amended as I proposed, it would have carried out what we desire in this direction. Under the Commerce Act, imported olive oil must bear a true trade description, but the moment that that oil passes from the custody of the Department the trade description may be removed, and unless the

States themselves pass laws to prevent the sale of adulterated goods, it can be sold in an adulterated form. I do not think that we shall incur any risk in passing the schedule in the form suggested by the honorable and learned member for Bendigo.

Sir JOHN QUICK. — Will the Minister limit the bounty to the products of new plantations?

Mr. HUTCHISON. — I do not know whether the Minister has considered that point.

Mr. POYNTON. — An olive tree takes seven years to reach maturity.

Mr. HUTCHISON. — It is true that South Australian olive oil competes successfully even against the cheap adulterated oils at present being imported, and as soon as the State passes a law to prevent the introduction of adulterated oil, there will be an enormous increase in this industry. I do not think that it is necessary to grant a bounty for the manufacture of olive oil; but if there is an increased output, an increased supply of olives will, of course, be necessary. I therefore think it will be well to encourage new olive plantations by means of a bounty. If the Minister does that, I shall be satisfied.

Mr. LEE (Cowper) [10.3]. — I do not agree with the view expressed by the honorable and learned member for Bendigo that the granting of a bounty for the production of olive oil should be restricted to that which is the product of new plantations. It would mean that we should have new plantations springing up to compete with those already established. Ten years ago a Newcastle firm with which I was associated purchased olive oil prepared in South Australia, which then competed in the open markets of New South Wales. We should carefully consider whether we ought to grant a bounty to an industry that is already well established. The people engaged in the olive oil industry are well satisfied with the present Tariff; but, at the same time, I do not think that it would be fair to deny to those who have already done the pioneering work of the industry the right to participate in this bounty.

Mr. McWILLIAMS (Franklin) [10.5]. — The discussion on the question has shown the absurdity of the proposals now before us. The olive oil industry is firmly established in South Australia, and has practically obtained control of the Australian market. There is a duty of 1s. 4d. per

gallon on the oil; but before the imposition of the Commonwealth Tariff the South Australian product was able to compete successfully in the markets of Australia. It has been shown that, as is the case in connexion with the payment of the sugar bounty to growers in New South Wales, the bounty for the production of olive oil will be paid to persons, not for establishing a new industry, but for doing that which they are doing in the absence of a bounty. If the intention is that the bounty shall be paid only to those who plant new plantations, the position will be even more absurd. It will mean that those who have had the pluck, skill, and enterprise to establish the industry in the absence of a bounty will not participate in this distribution. It has been suggested that, although the industry is established in South Australia, this bounty should be paid to encourage the production of olive oil in New South Wales.

Mr. LEE. — The farmers there have put their land to a better use.

Mr. McWILLIAMS. — My experience is that the practical farmer is the best judge of the crops for the production of which his holding is best adapted. I firmly believe that Ministers have not given to this question one tithe of the consideration that it deserves, and that the information furnished during this debate is entirely new to them. On the occasion of the Parliamentary visit to Mildura we saw some of the settlers grubbing out olive trees, because there was no market for olives, and the honorable and learned member for Bendigo has told us that a similar course has been pursued by orchardists in his district. Is it reasonable to assume that, as the result of the expenditure of a few thousand pounds, we shall create an industry which practical experience teaches us cannot find a market abroad? If bounty is to be paid it would be better to grant it on the export of olive oil rather than to offer it as an inducement to others to enter into competition with those who have already established the industry. But that the Standing Orders forbid it, I should move that the Bill be referred to a Select Committee. I wish to enter my emphatic protest against a proposal that a few of the people of Australia shall dip their hands into the pockets of the taxpayers to assist an industry which is already so firmly established in Australia that it is able to successfully compete against the imported

article. If we are to give a bounty for the production of olive oil, there is no reason why we should not grant bounties for the production of wool, butter, potatoes, apples, and other products already being raised successfully in Australia. If the system is to be adopted it would be better to apply it to the creation of industries which are new to Australia, and which could be advantageously entered upon here. I shall vote against this proposal, and shall call for a division in order that we may know who are prepared to saddle the taxpayers of Australia with heavy expenditure in bolstering up industries that are already flourishing in the Commonwealth.

Mr. MCCOLL (Echuca) [10.12].—I do not think that it would be wise for the Committee, at this stage, to strike out this item. Clause 7 gives the Minister a discretionary power to vary the amounts in the fourth column of the schedule, and it will enable him to deal with cases of the kind to which reference has been made. Whilst there is much force in the views put forward by the honorable and learned member for Bendigo, I feel that the question is one upon which we should not arrive at a hasty decision. It may be that the Minister may see fit to grant the bounty to those who have already been growing olives, but who plant anew. There are many parts of the Commonwealth other than South Australia, where it may be desirable to encourage the industry, and, since the Minister has the discretionary power to which I have referred, I think that we should allow this item to remain in the schedule.

Mr. JOHNSON (Lang) [10.16]. — I move—

That the item "Cocoa . . . £1,000," be left out.

The Minister has given the Committee certain information in regard to the importations of cocoa, and the conditions under which it can be produced, but, to my mind, it is not sufficient to justify us in voting for the proposed bounty, and, as I find that I am debarred by the Standing Orders from moving to refer the schedule to a Select Committee, I propose that the item be struck out.

Question—That the words proposed to be left out stand part of the Schedule—put. The Committee divided.

Ayes	33
Noes	9

Majority	24
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AYES.

Bamford, F. W.	McCay, J. W.
Bonython, Sir J. L.	McColl, J. H.
Brown, T.	O'Malley, King
Carpenter, W. H.	Page, J.
Chanter, J. M.	Poynton, A.
Chapman, A.	Quick, Sir J.
Culpin, M.	Ronald, J. B.
Deakin, A.	Spence, W. G.
Ewing, T. T.	Storror, D.
Fisher, A.	Thomas, J.
Forrest, Sir J.	Tudor, F. G.
Frazer, C. E.	Watson, J. C.
Glynn, P. McM.	Wilkinson, J.
Groom, L. E.	Wilson, J. G.
Hutchison, J.	<i>Tellers:</i>
Kennedy, T.	Cook, Hume
Lyne, Sir W. J.	Mauger, S.

NOES.

Cameron, D. N.	McWilliams, W. J.
Cook, J.	Wilks, W. H.
Johnson, W. E.	<i>Tellers:</i>
Kelly, W. H.	Fuller, G. W.
Lee, H. W.	Liddell, F.

PAIRS.

Maloney, W. R. N.	Lonsdale, E.
Crouch, R. A.	Robinson, A.
Batchelor, E. L.	Willis, H.
Knox, W.	Smith, S.
Skene, T.	Fysh, Sir P. O.

Question so resolved in the affirmative.

Amendment negatived.

Mr. JOHNSON (Lang) [10.21]. — I move—

That the item "Coffee . . . £2,500," be left out.

There is now a duty of 3d. per lb. on raw coffee, and of 5d. per lb. on roasted and ground coffee, which should surely give sufficient protection to all who wish to embark in the coffee industry here. At the present time the duty is equal to 60 per cent., and the production of coffee in Australia amounts to 83,632 lbs. per annum, showing that the industry is firmly established, and that no bounty is needed to bring it into existence.

Mr. WILKS.—These are all black labour industries.

Mr. JOHNSON.—The Minister has not supplied a sufficient reason for voting £2,500 to provide an annual bounty to encourage the production of coffee. He has admitted that with regard to chicory his officers were misinformed, and, in their turn, misled him, and he intends to strike that item out of the Schedule. May we not reasonably assume that he is no better informed in regard to the other items? At any rate, he has not been able to tell the Committee definitely what will be the result of the proposed bounty. The only thing that is clear is that a large sum of money

is to be taken from the Treasury to be disbursed by the Minister in accordance with the Schedule.

Mr. GLYNN (Angas) [10.25].—I am not inclined to attempt to draw distinctions where the differences are not very marked. It is difficult to differentiate between the merits of the proposals for bounties in connexion with cocoa, coffee, chicory, and many other items, and for that reason I voted against the omission of cocoa. Eventually, I hope that an opportunity will be given to deal with the schedule as a whole, so that we may apply the same policy to all the items, and either accept or reject them.

Mr. LONSDALE (New England) [10.27].—I understood that the proposal was to give bounties to encourage the establishment of new industries; but it is clear that the coffee industry is already established in Australia, and, therefore, I am not going to allow the general public to be robbed for the benefit of coffee growers.

The CHAIRMAN.—Order!

Mr. LONSDALE.—When something is taken from a person without a fair return being made to him, that is robbery. It is proposed to take from the public by force of law money which belongs to them, to give it to others who have no right to it. If that is not deliberate thieving by law, I do not know what would be.

The CHAIRMAN.—The honorable member must withdraw that remark. It is not in order to refer to any action of the Committee as thieving.

Mr. LONSDALE.—In that case I withdraw it. Honorable members, however, cannot get away from the fact that we are asked to take a large sum of money out of the pockets of the people to give to persons who are engaged in a well-established industry. If bounties are to be given to those engaged in established industries, let us apply them all round. Why should we not give a bounty for potato growing?

Mr. HUTCHISON.—That is not a new industry.

Mr. LONSDALE.—No; and coffee growing and olive growing are not new industries. On what principle do honorable members draw a distinction between these industries? I am here to fight in the interests of the public, and to prevent their money from being given to coffee growers and others who are profitably engaged. The Prime Minister, when on the public platform, talks about trying to help the primary industries, but he makes no effort

to do so when in this Chamber. I think that it is an outrage that we should be asked to take money out of the pockets of the people of Australia and give it to the coffee-growers of Queensland. We know very well that coffee cannot be grown by means of white labour that has to be paid at the rate of 7s. or 8s. per day.

Mr. FISHER.—Yes, it can.

Mr. LONSDALE.—It can be grown by white children. Does the honorable member want his children to go into the coffee-fields and pick berries? Does he want to force women and children into an employment of that kind?

Mr. PAGE.—It is better to give women and children employment in the coffee fields than to drive them into cow-yards, where they have to milk night and day.

Mr. LONSDALE.—I do not drive them into cow-yards. My object has always been to make the conditions of life as comfortable as possible, and I do not believe in employing white children in tropical industries. Let those who talk about their love of humanity give practical expression to their principles, instead of making it harder for the poor by imposing taxes upon them in order to foster black labour industries in Queensland. I could understand the proposals in the Bill being supported by those who believe in injuring the great bulk of the community for the benefit of the few, but I cannot conceive of free-traders giving any countenance to the scheme now under consideration. There is already a duty of 5d. per lb. upon roasted coffee, and of 3d. per lb. upon raw coffee. Surely the protection thus afforded should be sufficient, without taking money from the people to give to those who are engaged in an industry that is already established. If honorable members had any conscience, they would not for one moment support such a proposal. Coffee-growing is a Queensland industry, and consequently every representative of that State agrees with the provision contained in the Bill, whether it be right or wrong. Most of the industries intended to be encouraged by means of bounties are carried on in Queensland, and it seems to me that that State is getting hold of the big end of the stick, and that the representatives of other States should step in and protect their own people.

Mr. FISHER (Wide Bay) [10.35].—There is an old saying that the heart benevolent and kind most resembles God. The honorable member for New England

professes to be animated by the most benevolent intentions, but he has no hesitation in casting the most serious reflections upon men who are working in tropical countries in a perfectly fair and honest way, and are growing commodities which have to enter into competition with the products of cheap labour in other parts of the world.

Mr. LONSDALE.—I do not want to rob the poor.

Mr. FISHER.—The honorable member has, in utter ignorance of the facts, cast reflections upon those engaged in coffee planting. Coffee is being produced in Queensland by means of white labour, and the men engaged in the industry are receiving the highest rates of wages. Neither women nor children are employed on the coffee plantations.

Mr. JOSEPH COOK.—What is the market price of raw coffee?

Mr. BAMFORD.—About 5d. per lb.

Mr. LONSDALE.—And there is a duty of 3d. per lb. upon the raw beans.

Mr. FISHER.—The honorable member for New England may take it from me that white farmers in Queensland are producing coffee without employing any coloured labour whatever. Although the honorable member has cast some reflections upon Queensland, I would point out that the representatives of that State have not asked for the measure now before us, and do not desire to derive any benefits other than those which may be conferred in an equal degree upon other States. No reflection should be cast upon Queensland because she is successfully developing tropical industries by means of white labour.

Mr. LONSDALE.—At the expense of the whole Commonwealth.

Mr. FISHER.—Is it part of the programme of the honorable member, as an exponent of free-trade principles, to slander the white people of Australia who earn their living by producing tropical commodities? The honorable member should be careful not to make statements without authority or knowledge, and he certainly should not make wild charges against men who will not receive more than a fair share of the benefits proposed to be conferred by the Bill.

Mr. McWILLIAMS (Franklin) [10.39].—I do not intend to say one word against those men who have gone into the tropics to make their homes there. They have my

utmost sympathy, and I would do everything I reasonably could to assist them. The position which I wish to put is that there is already a duty of 3d. per lb. upon raw coffee, which is equivalent to 60 per cent. I have always been prepared to give our local industries a fair chance, but I think honorable members will recognise that a 60 per cent. duty upon an article of food which enters into general consumption is a fairly stiff protective impost.

Mr. PAGE.—How does it compare with the duty of £14 per ton upon jam?

Mr. McWILLIAMS.—The duty upon jam does not nearly represent a duty of 60 per cent.

Mr. PAGE.—Do not the poor people eat jam?

Mr. McWILLIAMS.—If the honorable member will assist me to reduce the duty upon sugar by one half, I am quite prepared to vote for the abolition of the impost upon jam. For all practical purposes we are asked to grant this bounty to men who have never asked for it.

Mr. PAGE.—The honorable member for Herbert says that the industry in Queensland is in a languishing condition.

Mr. McWILLIAMS.—If that be the case, it is clear that a 60 per cent. duty will not enable coffee to be grown successfully in Australia, and if that be so, it is time that this Parliament refused to recognise the industry. It is not suggested that every grower of coffee throughout the Commonwealth hopes to derive assistance from the proposed bounty. How many individuals will be benefited by it? I repeat that if the industry cannot compete successfully with the aid of a 60 per cent. duty, any bounty which we may extend to it will be simply thrown away. It seems to me that the men who are already engaged in coffee cultivation are the only individuals who will be benefited by the payment of this bounty. The whole object of the Bill appears to be either to make a free gift to men who have already established an industry, and who have made a success of it, or to bolster up an enterprise which is languishing, notwithstanding the operation of a high duty. I shall vote in favour of excising the item.

Mr. LONSDALE (New England) [10.48].—So far from having cast a slur upon persons who have embarked upon tropical pursuits in Queensland—as has been alleged—I did nothing of the kind.

Mr. STORRER.—The honorable member cast a slur upon the members of this Committee.

Mr. LONSDALE.—Some of them deserved it. What I said was that coffee was evidently a tropical product, which could not be successfully grown by means of white labour—in other words, that the industry could not afford to pay white men's wages. If it is to be carried on by means of white labour, the cost involved will inevitably fall upon the Commonwealth, as was the case in connexion with the sugar industry. I object to the establishment of black labour industries at the expense of the Commonwealth. The honorable member for Wide Bay implied that I did not know anything about this question. I may inform him that when I visited a coffee plantation in Queensland I had a long conversation with the manager, who informed me that it was impossible to pay white men's wages to the persons employed in picking the coffee beans. When this statement was made I inferred that it would be necessary to employ women and children to pick the berries. I do not wish to see women and children enter upon such work, but it is only in that way that the industry could be established. Industries which cannot stand, as it were, on their own feet must be assisted by means of cheap labour. I am opposed to any proposal which will increase the burdens of the Commonwealth for the encouragement of industries that cannot live except by the employment of cheap labour. Some of the representatives of Queensland will, of course, vote for this item, although they cannot believe that it will be of any value. Their sole desire, apparently, is to get a dip into the Commonwealth purse.

Mr. KENNEDY (Moir) [10.52].—The honorable member for New England said that coffee could not be profitably grown in Queensland except by black labour. We know very well, however, that under this Bill bounties will not be paid in respect of products raised by cheap labour. If the Bill be successful, it will mean that, at a cost of £500,000, we shall establish industries which will enable us to obtain from local sources goods to the value of something like £1,500,000 per annum, that we are now importing. This result will be achieved at a cost of 3d. per head of the population per annum, or a total cost of 2s. 6d. per head of the population in respect of the ten years' period.

Mr. LONSDALE.—For the benefit of one particular party.

Mr. KENNEDY.—We hear those who cry "stinking fish"—

Mr. LONSDALE.—I do not raise that cry. I simply say that we cannot produce some of these things.

Mr. KENNEDY.—We can assist to establish these industries—

Mr. LONSDALE.—By robbing other people.

Mr. KENNEDY.—Some honorable members are continually talking of the need to assist our primary industries, but when they are put to the test we quickly learn the true value of their protestations.

The CHAIRMAN.—I would remind the honorable member that the item before the Committee relates to coffee.

Mr. KENNEDY.—I am endeavouring to point out that there is no foundation in fact for the statement of the honorable member for New England that coffee can be grown in Australia only by black labour. We know that it can be produced by white labour.

Mr. LONSDALE.—At the cost of the community.

Mr. WILSON.—The industry is already established in Queensland.

Mr. KENNEDY.—Coffee can be grown in Queensland, but it has not been proven that the industry is an established one. As a matter of fact, it does not supply 25 per cent. of the quantity of coffee consumed in Australia. There is surely a possibility of diversifying our industries. We are constantly told by the Opposition that we should people the waste places of Australia, and so increase the avenues of employment. We now have an opportunity to do so, and, even if we do not succeed in establishing all the industries to be assisted under this Bill, the risk is one that we may well incur.

Mr. WILSON (Corangamite) [10.55].—I sympathize with the remark made by the honorable member for Wide Bay that in dealing with this item honorable members should not be influenced by any consideration as to whether Queensland or any other State will be specially benefited by it. If any part of Australia can be materially benefited by means of this bounty we should do well to agree to its payment. I take exception, however, to the item solely on the ground that it relates to an industry that is already a success in Australia. The cocoa industry is not established, but it may

already a duty of 60 per cent. on coffee, and that impost has enabled the industry to be successfully established here. We are the guardians of the public purse—

Mr. LONSDALE.—We should not agree to this expenditure if we were dealing with our own money.

Mr. WILSON. — I do not sympathize with some of the remarks made by the honorable member for New England. I point out, however, that we are the guardians of the public purse, and that we are asked to pay away the money of the people to assist an industry which is already adequately protected and well established. I therefore purpose to vote against this item. Every line in this schedule should be carefully considered. We cannot vote for bounties for industries that are already established unless we are prepared to do an injustice to the people of Australia.

Amendment, by leave, withdrawn.

Mr. POYNTON (Grey) [10.59].—Does the Minister propose to reduce the amount payable in respect of the production of coffee and chicory?

Sir WILLIAM LYNE (Hume — Minister of Trade and Customs) [10.59].—I do. I move—

That the item "Coffee, Chicory £2,500," be amended by reducing the amount to £1,500.

Mr. McWILLIAMS.—Why this amendment?

Sir WILLIAM LYNE.—Because I propose to strike out the item "chicory" and to transfer £1,000 to the item "Milk.—Sweetened Condensed."

Mr. BAMFORD (Herbert) [11.0].—I wish to know why the Minister has submitted this amendment? If he proposed that £2,500 should be devoted to bounties for the production of coffee and chicory, I fail to see why that amount should be reduced after the item "chicory" has been struck out.

Sir WILLIAM LYNE (Hume—Minister of Trade and Customs) [11.1]. — The amount set down was that thought likely to be required to encourage the production of coffee and chicory and, leaving out chicory, I might with reason ask for £1,250 to encourage the production of coffee alone; but I prefer to ask for a little more, and have therefore moved the reduction of the amount to £1,500. If another £1,000 is required, steps will be

that will be necessary for some time to come.

Amendment agreed to.

Amendment (by Mr. JOHNSON) proposed—

That the item "Coffee £1,500," be left out.

Question—That the words "Coffee £1,500" proposed to be left out stand part of the schedule—put. The Committee divided.

Aves	...	...	30
Noes	...	...	7
Majority	...	...	23

AYES.

Bamford, F. W.	Mauger, S.
Bonython, Sir J. L.	McCay, J. W.
Brown, T.	McColl, J. H.
Carpenter, W. H.	O'Malley, K.
Chanter, J. M.	Page, J.
Chapman, A.	Poynton, A.
Deakin, A.	Quick, Sir J.
Ewing, T. T.	Ronald, J. B.
Fisher, A.	Spence, W. G.
Forrest, Sir J.	Storrer, D.
Frazer, C. E.	Tudor, F. G.
Glynn, P. McM.	Wilkinson, J.
Groom, L. E.	
Hutchison, J.	
Kennedy, T.	
Lyne, Sir W. J.	

Tellers:

Cook, Hume
Culpin, M.

NOES.

Cook, J.	Wilson, J. G.
Johnson, W. E.	
Lee, H. W.	
McWilliams, W. J.	

Tellers:

Kelly, W. H.
Wilks, W. H.

PAIRS.

Maloney, W. R. N.	Lonsdale, E
Crouch, R. A.	Robinson, A.
Batchelor, E. L.	Willis, H.
Knox, W.	Smith, S.
Skene, T.	Fysh, Sir P. O.

Question so resolved in the affirmative.

Amendment negatived.

Amendment (by Sir WILLIAM LYNE) agreed to—

That the item "Chicory" be left out.

Mr. McWILLIAMS (Franklin) [11.8].—I move—

That the item, "Cotton £4,500," be left out.

The honorable member for Moreton gave us a very clear and interesting history of the efforts that have been made to grow cotton in Queensland. According to a little pamphlet that was issued a short time ago, these attempts cover a long period. At the time of the cotton famine, when the American Civil War was raging, a bounty for the production of cotton was given by the Queensland Government, and while

cotton commanded famine prices, the industry flourished; but long before the supply became normal again it practically came to a standstill. Various attempts have since been made to revive it, and I have been pleased to read that Dr. Thomatis has now succeeded in producing cotton which is admitted in Europe and even in America to be of first class quality. His plantation will thoroughly test the question whether cotton can be profitably produced in Australia, and the efforts he is making in this direction are very creditable to him. Some time ago an article appeared in one of the periodicals on the production of cotton in various parts of the world, and was copied in several of the newspapers. According to the writer, the great manufacturers of Manchester and other large manufacturing centres in England having been scared, first by threatened complications between the United States and England in connexion with the Canadian fisheries, and, later, by an attempt to increase prices by creating a corner, subscribed an enormous capital for the establishment of cotton plantations in Egypt, West Africa, and parts of India. Some of the cotton grown in India is of excellent quality, while that grown in Egypt is said to be superfine. English manufacturers are now wisely endeavouring to protect their own interests by preventing a cotton famine arising should war break out with the United States, or a corner be made to unduly force up prices. In the countries I have mentioned, there is the very cheapest labour in the world; and we must agree that if the consumption of cotton were confined to the requirements of the Australian market, the quantity would be so small as to make it scarcely worth while our attempting to establish the industry. Even if in course of time large factories were established, and we were enabled to turn our own raw material into the finished article, and compete with the greatest factories in the world, the production here would still be limited. We must grow largely for the markets of the world, and, considering the labour conditions in Australia to-day, and the wages which we hope will be paid, and which must be paid under this Bill, it would be impossible to compete with the cheap labour of India, West Africa, Egypt, and that of the cotton-growing districts of the southern States of America. A fair effort is being made

Mr. McWilliams.

to start the industry without a bonus, and, believing, as I do, that no matter what bonus we give, the industry in Australia can never compete with the industry in the countries of cheap labour, I contend that, in voting this money, we shall only be throwing it away. To vote half a million of money for the purposes contemplated in the Bill may seem a trifle to some honorable members, but I am sure the taxpayers of the country will regard the matter in a very different light.

Mr. LONSDALE (New England) [11.15].—Here is another proposal to grant a bonus to an established industry. We know that cotton can be grown successfully in Queensland, because Dr. Thomatis has informed us that he was offered 15d. per lb. for his cotton, while prices for American cotton were 7d. and 8½d. In the face of this fact, it would be absurd to vote a bounty; we should hesitate to dispose of the people's money in this unjustifiable way. To me it appears an absolute wrong to vote a bounty for industries which have already been established without assistance, and particularly for the cotton industry, when such a price as I have mentioned can be obtained for our product. I do not know why these proposals are being forced through at the present moment; but the great bulk of the industries affected appear to be tropical industries. We know that the production of sugar by white labour has already cost the Commonwealth a large sum of money; and I do not see why we should endeavour to establish these tropical industries at such a cost to the community as a whole. I can understand Queensland representatives doing their best to promote these bounties; but I do not think that the policy is right or fair. I have already expressed my opinion as to what is the real object of the Bill; and I protest as strongly as I can against this expenditure. I am quite certain that honorable members would not devote their own money to such purposes; and, as a matter of fact, they ought to be more careful about public money. In this instance they are deliberately doing a wrong. I shall take care that my electors, and the country generally, know that I have strongly protested against this deliberate waste of money; some of these bounties are really a pure gift to those engaged in industries already established. If I shall be in order in proposing to add

to as many as possible of our primary producers. If we are going to give away money in the manner proposed, I do not see any reason why every primary producer should not be permitted to plunge his hand into the pockets of the people.

Question—That the words "Cotton . . . £4,500," proposed to be left out, stand part of the schedule—put. The Committee divided.

Ayes	30
Noes	5

Majority	25
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AYES.

Bamford, F. W.
Bonython, Sir J. L.
Brown, T.
Chanter, J. M.
Chapman, A.
Culpin, M.
Deakin, A.
Ewing, T. T.
Fisher, A.
Forrest, Sir J.
Frazer, C. E.
Glynn, P. M.
Groom, L. E.
Hutchison, J.
Kennedy, T.
Lyne, Sir W. J.

Mauger, S.
McColl, J. H.
O'Malley, K.
Page, J.
Poynton, A.
Quick, Sir J.
Ronald, J. B.
Spence, W. G.
Storrer, D.
Tudor, F. G.
Wilkinson, J.
Wilson, J. G.

Tellers:

Cook, Hume
Carpenter, W. H.

NOES.

Cook, J.
Johnson, W. E.
Wilks, W. H.

Tellers:

McWilliams, W. J.
Kelly, W. H.

PAIRS.

Maloney, W. R. N.
Crouch, R. A.
Batchelor, E. L.
Knox, W.
Skene, T.

Lonsdale, E.
Robinson, A.
Willis, H.
Smith, S.
Fysh, Sir P. O.

Question so resolved in the affirmative.

Amendment negatived.

Mr. JOHNSON (Lang) [11.27]. — I should like to move—

That the item, "Fibres . . . £6,000," be left out.

It is proposed to grant a bounty at the rate of 10 per cent. on the market value of the commodities enumerated for a period of ten years, and, therefore, a total expenditure of £60,000 is contemplated. This is a matter which should receive the most serious consideration of the Committee.

Mr. WILSON (Corangamite) [11.28].— I should like to differentiate between flax and the other fibres mentioned. Flax has already been grown successfully in Gippsland and the Western District of Victoria, and therefore should not be made the sub-

ject of bounties on the same. I have not been grown within the Commonwealth except for experimental purposes, and therefore bounties may reasonably be offered to encourage their cultivation. I should like to know how the Minister intends to distribute the bounties. If, for instance, flax were largely cultivated, and none of the other fibres enumerated were grown, would the whole £6,000 be available for distribution among the producers of flax?

Sir WILLIAM LYNE. — The honorable member will see that the bounty is to be granted in the proportion of 10 per cent. of the market value of the product.

Mr. WILSON.—But the Minister will see that the whole of the amount provided for might be paid to those engaged in an industry that is already established. Flax is grown as an ordinary crop, although it has to be very carefully cultivated, weeded, and cut.

Mr. KENNEDY.—Where did the honorable member see flax weeded?

Mr. WILSON.—In the Victorian Western District. I know that the honorable member comes from a district where weeds will not grow; but still, it is weeded in the part from which I come. The point which I wish to urge is that flax-growing is already established. If some differentiation is not made, it is quite possible that the whole £6,000 will be spent in developing an established industry.

Sir WILLIAM LYNE.—It is quite impossible.

Mr. WILSON.—At any rate, I move—

That the item "Fibres—Flax . . . £6,000," be amended by leaving out the word "Flax."

Mr. KELLY.—What is the difference between flax and New Zealand flax?

Mr. WILSON.—Ordinary flax is the fibre from which linen is made, whilst New Zealand flax is the fibre from which cordage is made. The two products are quite different.

Mr. LONSDALE (New England) [11.33].—I strongly support the amendment of the honorable member for Corangamite. What reason is there for voting a sum of money to encourage the growth of flax when the industry is already established? The honorable member, being a protectionist, deserves great credit for having directed attention to the point. I understood that it was intended to include coir in the schedule, but it appears that the Minister

has had a little bit of sense in that respect, and has dropped out the item. I understand that regulations have already been framed, and that the Minister says that the money will be spent according to them. But it appears to me that if we depend upon departmental regulations, and not upon what we specifically put into the Bill, we shall find when the money is spent that we have "dropped in."

Mr. BROWN (Canobolas) [11.35].—I wish to point out to the honorable member for Corangamite that, according to the statement of the Minister, whilst the imports of flax and hemp totalled £128,000 last year, the total imports of all other fibre did not amount to more than £11,000.

Mr. KELLY (Wentworth) [11.36].—The Minister can hardly justify his silence in not making an explanation after the speech of the honorable member for Corangamite, who has shown that, at the Minister's discretion, the £6,000 to be voted on account of this item may be paid to the growers of one particular article.

Sir WILLIAM LYNE.—Oh, no.

Mr. KELLY.—How does the Minister propose to regulate these matters? Does he propose to frame regulations providing how the money shall be allocated amongst the various kinds of fibres mentioned? The Minister appears to think that, simply because he is going to administer this Bill, we ought to be satisfied that it will be administered wisely. With the greatest admiration for the administrative capacity of my honorable friend, I think that it is altogether too much to expect us to do that. He will see himself that, although we could never for a moment doubt his wisdom in administering a measure of this kind, it is more than probable that he will not be here to administer it next session. I do not wish to touch upon a matter which must be painful to him, but will content myself with asking him whether, in view of the representations that have been made, he will assure the Committee that he will allocate the £6,000 amongst the various fibres in such a way that the growers of no particular kind of fibre will obtain the benefit of the whole amount.

Question.—That the word "flax" proposed to be left out stand part of the item "Fibres"—put. The Committee divided.

Aves 29

Noes 6

Majority 23

AYES.

Bamford, F. W.	Lyne, Sir W. J.
Bonython, Sir J. L.	Mauger, S.
Brown, T.	McColl, J. H.
Chanter, J. M.	O'Malley, K.
Chapman, Austin	Page, J.
Culpin, M.	Poynton, A.
Deakin, A.	Quick, Sir J.
Ewing, T. T.	Ronald, J. B.
Fisher, A.	Spence, W. G.
Forrest, Sir J.	Thomas, J.
Frazer, C. E.	Tudor, F. G.
Glynn, P. McM.	Wilkinson, J.
Groom, L. E.	<i>Tellers:</i>
Hutchison, J.	Cook, Hume
Kennedy, T.	Storror, D.

NOES.

Cook, J.	<i>Tellers:</i>
Kelly, W. H.	Johnson, W. E.
McWilliams, W. J.	Wilks, W. H.
Wilson, J. G.	

Question so resolved in the affirmative.

Amendment negatived.

Mr. KELLY (Wentworth) [11.44].—I rise to ask the Minister of Trade and Customs to explain how it is proposed to get the fish for the canning or tinning of which we are now asked to vote a total bounty of £55,000. This afternoon, he stated that the trawler for which a vote was taken on the Works Estimates would pave the way for the discovery of new fishing grounds.

Sir WILLIAM LYNE.—It will be used in that direction.

Mr. KELLY.—This afternoon the honorable gentleman told us that while he wished an Australian trawler to explore Australian fishing grounds, he wanted to import it from New Zealand.

Sir WILLIAM LYNE.—No; the honorable member quite misunderstood me. What I said was that I wanted to charter one here, but that a fisherman in New Zealand who owns a fleet of trawlers had written a letter in which he offered to take charge of and carry out the whole of the work.

Mr. KELLY.—And the Minister is considering the acceptance of that proposal?

Sir WILLIAM LYNE.—I have not seen it yet. I have only heard of it.

Mr. KELLY.—If there is going to be any plunder in connexion with the establishment of this industry, we ought to have a little bit of it in Balmain. I take the view that if any industry is worth encouraging, the great ship-building industry, which is now in its infancy in New South Wales, is certainly one of them. I think that the Minister ought to give a satisfactory explanation of the statement he made here this afternoon in regard to the suggested impor-

tation of a trawler before we consent to the item of a fish bounty.

Mr. WILKS (Dalley) [11.47].—I am thankful to the honorable member for Wentworth for drawing the attention of the Committee to the fact that in an early part of this sitting the Minister of Trade and Customs said that a trawler would have to be imported. About ten days ago, we voted on the Works Estimates a sum of £8,000 for the purchase of a trawler, which the Minister said was required for carrying out a scheme in connexion with the deep-sea fishing industry of Australia. I, a free-trader, asked the Minister of Home Affairs, who was in charge of the Estimates at the time, whether it was intended to have the trawler built in Australia, and the Prime Minister interjected, "Oh, yes; this boat will be built in Australia." I understand that it will be part of the machinery necessary to carry out the search for the fish in respect of which we are asked to vote a bounty. Surely it will be built here?

Sir WILLIAM LYNE.—Certainly it will.

Mr. JOHNSON (Lang) [11.48].—I have a special justification for offering opposition to this item in a statement which the Minister of Trade and Customs made here this evening. He said it was a very good thing for this country that a large number of what purported to be French tinned sardines, which were sold to the public, were young mullet or other fish obtained in Australian waters, thereby proving not only that the tinned fish industry was thoroughly established, but that it was really ousting imported sardines from the country. According to the Minister's statement, a deliberate deception is being practised upon the public, and he applauds this trade deception. We are now asked to vote a bounty for the purpose of enabling Australian pirates to foist Australian mullet upon the confiding public as French sardines. If there were any sardines in Australian waters, this proposal might be justifiable from the point of view of those who believe in taking public money for the purpose of encouraging private ventures. But in this case it is proposed to appropriate public money for the purpose of enabling a set of pirates to foist their wares upon an unsuspecting community as imported sardines. In view of all the talk in which the Minister of Trade and Customs and his colleagues have indulged regarding the necessity for protecting the

public from imposition, it is astonishing that we should find him advocating a gross fraud of this character. I wish to move—

That the item "Fish" be left out.

Mr. LONSDALE (New England) [11.52].—I cannot see how the tinned-fish industry is to be benefited by the payment of the proposed bounty. The annual production per head of those employed in some of these industries is very small. The product of the fishing industry in Italy is valued at £7,000,000, but 1,000,000 persons are engaged in it. It is, therefore, worth about £7 per head. Under the circumstances, I claim that the proposed bounty to such an industry will be of no assistance whatever, and, consequently, I shall vote against the item.

Mr. McWILLIAMS (Franklin) [11.53].—I recognise that very great difficulty will be experienced in the allocation of these bounties. Therefore, I should like to know from the Minister whether the tinning industry is to get the whole of the bounty payable upon the production of tinned fish, or whether the fisherman is to participate in it. Personally I should like to see the latter obtain the lion's share. There is no other industry in which the individual who is called upon to perform all the hard work receives such a poor reward as does the fisherman. Therefore, I should like the Minister to explain whether he is to obtain a share of this bounty?

Sir WILLIAM LYNE.—If a fisherman caught only one fish, how could he share in the bounty?

Mr. McWILLIAMS.—Then is the tinning industry to absorb the whole of it?

Sir WILLIAM LYNE.—No. The fisherman will receive a reasonable share of the bounty, but not in the stupid way in which the honorable member has endeavoured to put the position.

Mr. McWILLIAMS.—Every word that the Minister has uttered is stupid. He has not offered one intelligent explanation of any item in the schedule.

Mr. WILSON (Corangamite) [11.56].—I notice that the sum of £11,000 is provided for the payment of a bounty upon fish. I wish to know why the Minister is plunging upon this item?

Sir WILLIAM LYNE.—Look at the importations, and see the lee-way that we have to make up.

Mr. WILSON.—The Minister must know that most of the fish imported are of

tralia. Take salmon as an illustration.

Sir WILLIAM LYNE.—I would rather have a trumpeter any day.

Mr. WILSON.—But people of refined taste prefer salmon to trumpeter.

Sir WILLIAM LYNE.—They do not.

Mr. WILSON.—The other fish which are imported include the true sardine, herrings, cod, and salt fish, such as ling, which come from China. The Minister has told us that there is already in existence in Australia a bogus sardine industry, and that he intends to bolster up that industry.

Sir WILLIAM LYNE.—To a very large extent our fish will take the place of those mentioned by the honorable member.

Mr. WILSON.—They will not. The bulk of the fish obtained in Australia are of a coarse kind, and are not suitable for tinning. In the southern parts of the Commonwealth the chief fish caught are barracouta, trumpeter, and jew fish. We have not a class of fish which is suitable for canning for export. At the present time there is a duty of a $\frac{1}{4}$ d. per lb. upon canned fish. Under the operation of that duty canned-fish industries were established at Port Fairy and Warrnambool, but owing to the fact that the fish procurable were not of a suitable character, and because the demand for them was insufficient, those industries have perished. The same thing occurred in Tasmania. At $\frac{1}{4}$ d. per lb. the bounty proposed would cover an annual production of 5,280,000 lbs. of fish. I think that is too much. If a bounty is to be paid, the amount should be reduced, and, if necessary, an increase may be made later on. I think that the item should be reduced by £6,000.

Sir WILLIAM LYNE.—I am prepared to reduce it by £2,000.

Mr. WILSON.—That is not sufficient. We should have a reduction of at least £4,000.

Sir WILLIAM LYNE.—I propose to reduce the item by £2,000, and to apply that amount to another item in the schedule.

Mr. WILSON.—If the total amount were reduced to £7,000 it would provide a bounty of $\frac{1}{2}$ d. per lb. on a production of 3,000,000 lbs. of fish, and would so give the industry a very fair start. I feel that it is my duty to urge that the strictest economy should be exercised. We ought not to vote money as readily as some honorable members seem prepared to do.

with business before it becomes so late that I may not be able to carry out my promise.

Mr. WILSON.—The honorable gentleman should not threaten the Committee in that way. If at one moment it is right to reduce this item to the extent mentioned by him, it is right to do so at any time. I should like to ask the Treasurer, who knows that the Commonwealth purse is not as full as it ought to be, whether he thinks that this item should not be reduced by £4,000. If, in addition to the duty of $\frac{1}{4}$ d. per lb. on canned fish, we grant the industry bounties amounting to £8,000, we shall give it a chance of success that it has never previously enjoyed. I move—

That the item "Fish. . . £11,000," be reduced by £3,000.

Sir WILLIAM LYNE.—I cannot accept that amendment.

Question—That the item "Fish. . . £11,000," be reduced by £3,000.—put. The Committee divided.

Ayes	...	...	...	6
Noes	...	...	...	27
				—
Majority	...	...	...	21

AYES.

Cameron, D. N.
Lee, H. W.
Liddell, F.
Wilson, J. G.

Tellers:

Johnson, W. E.
McWilliams, W. J.

NOES.

Bamford, F. W.
Bonython, Sir J. L.
Brown, T.
Chanter, J. M.
Chapman, Austin
Culpin, M.
Deakin, A.
Ewing, T. T.
Fisher, A.
Forrest, Sir J.
Frazer, C. E.
Groom, L. E.
Kennedy, T.
Lyne, Sir W. J.

Mauger, S.
McColl, J. H.
O'Malley, K.
Page, J.
Poynton, A.
Quick, Sir J.
Ronald, J. B.
Spence, W. G.
Storrer, D.
Tudor, F. G.
Wilkinson, J.

Tellers:

Cook, Hume
Hutchison, J.

PAIRS.

Lonsdale, E.
Robinson, A.
Willis, H.
Smith, S.
Fysh, Sir P. O.

Maloney, W. R. N.
Crouch, R. A.
Batchelor, E. L.
Knox, W.
Skene, T.

Question so resolved in the negative.

Amendment negatived.

Amendment (by Sir WILLIAM LYNE) agreed to—

That the item "Fish. . . £11,000" be reduced to £9,000.

Amendment (by Sir WILLIAM LYNE) proposed—

That the item "Milk—Sweetened, condensed, rate ½d. per lb., £5,000," be amended by increasing the rate to ¼d.

Mr. WILSON (Corangamite) [12.14].—Sweetened condensed milk has been manufactured in the Commonwealth during many years.

Sir WILLIAM LYNE.—To a very small extent.

Mr. LEE.—The industry has not been a success.

Mr. WILSON.—It has been entered upon in the Western District of Victoria by private companies, and has been carried on in Gippsland and in New South Wales. I saw condensed milk being made in Dr. Hay's factory some years ago.

Mr. LEE.—It is not being made there now.

Mr. WILSON.—There is already a duty of 1d. per lb. on sweetened condensed milk, and I fail to see why those engaged in the industry should, in addition, receive a bounty of ½d. per lb.

Mr. CHANTER.—The importation last year was valued at nearly £200,000.

Mr. WILSON.—We have the best milk in the world, producing it as economically as milk can be produced anywhere. Private companies are making a success of the condensed milk industry in New Zealand, and it should be possible to carry on the industry here without assistance. As a matter of fact, it is already being carried on by private companies who are satisfied with their prospects apart from the proposed bounty. That is shown by the action of a private company in buying out a co-operative factory in the Western District. It is a public scandal that we should be asked to take action which will bring into existence iniquities similar to those perpetrated some years ago when the Victorian Parliament voted bounties to encourage the dairying industry, and the money which was intended to aid the farmers and primary producers went into the hands of the export agents. This scandal was exposed, and honorable members must be familiar with the facts. But similar evils will arise if we give a bounty for the production of sweetened condensed and powdered milk. The money will go, not to the farmers, but to the manufacturers and the agents.

Mr. EWING.—Does the honorable member know what the machinery for making powdered milk costs?

Mr. WILSON.—I believe that the cost is not very much; but no farmer in the honorable member's district, or in any other district, is likely to manufacture powdered milk. This is a commodity which will not be made even by co-operative companies.

Mr. EWING.—There are co-operative factories in my district which could make sweetened condensed and powdered milk without any trouble.

Mr. WILSON.—But they will not do so while they have such a good thing in the making of butter and cheese.

Mr. EWING.—That is another story.

Mr. WILSON.—It will not allow of argument. The making of butter pays better than anything else. Some years ago the Rosebrook factory commenced to make concentrated milk, and has since been bought out by a private company, which is quite satisfied with its prospects. I strongly urge honorable members not to accept the amendment. They have from time to time spoken against the scandals to which I have referred; but if the proposals of the Ministry are agreed to, similar scandals will arise in the future.

Mr. JOSEPH COOK (Parramatta) [12.20].—I desire to point out that this is no longer a question of fiscal principle. In this milk industry, a great factor is sugar, which is already heavily taxed, and therefore the industry is labouring under a very great hardship. The question thus becomes one of justice and equity, rather than of fiscal principle. If we tax the raw material, we must have a countervailing duty to be just, and for that reason alone I feel disposed to vote for this item. I know that already some of these factories are in existence, but I believe most of them are struggling to obtain a footing in the face of the great handicap caused by the imposition on sugar.

Mr. BAMFORD.—And there is a combine.

Mr. JOSEPH COOK.—The best way to meet the combine, so far as I know, is to provide the raw material at as cheap a rate as possible. But since the raw material of sugar is taxed so very heavily under the Tariff, it is a question whether there should not be some countervailing conditions. Under the circumstances, I feel disposed to vote for the item, if it be taken to a division.

Mr. BROWN (Canobolas) [12.23].—There is a good deal to be said for the argument advanced by the honorable member for Parramatta. Sugar is undoubtedly

a large factor in the preservation of milk, particularly of sweetened condensed milk; and, by reason of the taxation already imposed, the industry is to some extent handicapped. But there are still stronger reasons to be advanced in favour of the bonus. In consequence of a visit to a large condensing factory some time ago, I was led to make some investigation, and I was informed by the late proprietor of that factory that he found great difficulty in suitably condensing the milk, and therefore he was not able to place the article on the market in a condition similar to that of the Swiss production. After considerable experiment, he decided to make a visit to the old country, to ascertain wherein his process was lacking, and he went not only to England, but to Switzerland, at considerable cost. As a result, he came to the conclusion that there is what is known as a trade secret in connexion with the preparation of condensed milk on the Continent, and, though he made every endeavour, he found that that secret was not purchasable. He thereupon entered upon a very extensive system of chemical analysis and treatment, with a view to remedying the defects in his production. In this he has succeeded to some extent, and he is now placing a very usable commodity on the market, though he admits that he is still unable to produce a condensed milk in all respects equal to that imported from Switzerland. Some encouragement should, I think, be given to a man who is so public-spirited as to establish here an industry of this importance, so nearly related, as it is, to the large and important interest of dairying. According to the figures presented by the Minister for Trade and Customs, there has been imported to Australia during the last two years £391,000 worth of condensed milk, which, as honorable members know, is the only milk available in the mining settlements and many farming centres in the hot country out back. If this condensed milk industry could be made financially successful, it would prove a valuable addition to our already fairly extensive dairying industry. Only recently a large consignment of sweetened condensed milk, manufactured in Australia, was prepared for Queensland, and, although every precaution was taken to see that it was properly treated, it was found necessary, owing to some defect not determined, to withdraw the whole from the market, at a considerable loss to the manufacturer. If

Mr. Brown.

means of perfecting the manufacture could be found, it would be worth something to us to have the industry established within our borders; and I am glad to see that the Minister is prepared to increase the amount of the bonus. I cannot understand, however, why the Minister seeks to make a difference between the bonus for the production of condensed sweetened milk and the bonus for powdered milk.

Mr. EWING.—That is based on the milk contents.

Mr. BROWN.—I have heard it said that there is a large difference in the milk contents. I am not familiar with the treatment of powdered milk; but, as the honorable member for Parramatta pointed out, sugar is a very important factor in the treatment of the sweetened variety. I am assured now by another honorable member that sugar does not enter to the same extent into the preparation of powdered milk. According to the information supplied by the Minister, from £1,000 to £5,000 is required to equip a factory for the production of sweetened condensed milk. The machinery necessary for the production of powdered milk can be provided for about £200. Therefore, there is a very wide difference between the capital outlay involved in one case as compared with the other, and I do not see that there is any warrant for the proposed increase in the bonus to be offered for powdered milk. Any differentiation between the two commodities should be in favour of the sweetened condensed milk.

Mr. EWING.—The Minister has had the advantage of the best expert advice in the matter.

Mr. BROWN.—I am glad that the Government desire to encourage the production of sweetened condensed milk, but I should like to obtain more definite information with regard to the production of powdered milk before the extra bounty proposed is approved of.

Amendment agreed to.

Amendment (by Sir WILLIAM LYNE) agreed to—

That the item "Milk, Sweetened, condensed . . . £5,000," be increased to £6,000.

Amendment (by Sir WILLIAM LYNE) proposed—

That the item "Milk, Powdered, . . . rate 3d. per lb. . .," be amended by increasing the rate to 1d.

Mr. KELLY.—Why is this increase proposed?

Sir WILLIAM LYNE.—Because the rate originally proposed is too low in proportion to that now provided for in the case of condensed milk.

Mr. KELLY.—How does the increase in the rate affect the total amount of the bounty?

Sir WILLIAM LYNE.—There will be no difference in the total amount involved.

Amendment agreed to.

Mr. LONSDALE (New England) [12.40].—Olive growing is a fairly extensive industry in South Australia. So far as I can ascertain, an acre of olives will produce 64 gallons of oil, worth, according to the honorable member for Grey, about 8s. per gallon. That means that from an acre of olives the grower derives £25 12s. I venture to say that there is no industry in the Commonwealth that produces a better return. Let honorable members consider the primary industries, such as wheat-growing. Does the farmer derive any such return as is secured by the grower of olives?

Mr. POYNTON.—The olive-grower has to wait seven years before he gets anything.

Mr. LONSDALE.—There are many primary industries in the Commonwealth that are better deserving of assistance from the Government. Then a bounty is to be given for the production of China oil—that is to say, peanut oil. It certainly does not take seven years to obtain a return from peanuts. The crop is not expensive to grow. I know something about this subject. Much of this scheme of the Government is ridiculous, but this is the most amusing proposal of all. We are told that the peanut makes excellent fodder for pigs and poultry. It is also very nutritive, and increases the milk of cows. It therefore appears that it is a magnificent crop to grow, and ought to be produced without any encouragement from the Commonwealth Government. A crop will produce about 90 gallons of oil per acre, which, at 2s. 6d. per gallon, works out at a return of £11 5s. per acre. That is better than growing potatoes and wheat. Surely it would be better for the Government to propose a bounty of 1d. per bushel for the growth of wheat. There would be some sense in that. I am satisfied that the peanut business can be successfully developed, if it is desirable, without any bounty.

Mr. WATSON.—It may be expensive to grow.

Mr. LONSDALE.—It is as easy as growing peas. I ask the Committee to

rise to the occasion and vote against the proposal.

Sir JOHN FORREST.—The Committee will do nothing of the kind.

Mr. LONSDALE.—No, because the elections are coming on. In a new Parliament there might be an opportunity to knock out some of the items in this schedule, but there is a very slight chance when we are so near to a general election. I, however, intend to have my protest put on record, and to use it throughout my electorate.

Sir WILLIAM LYNE.—The honorable member will be doing himself harm wherever he talks.

Mr. LONSDALE.—I am prepared to take all the risks, and shall not be deterred from doing my duty from anything that the Minister says. I move—

That the item, "Oils, Olive" be amended by leaving out the word "Olive."

Amendment negatived.

Question—that the word "olive," proposed to be left out, stand part of the schedule—put. The Committee divided.

Ayes	27
Noes	3

Majority	24
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AYES.

Bamford, F. W.	Mauger, S.
Bonython, Sir J. L.	McColl, J. H.
Chanter, J. M.	O'Malley, K.
Chapman, A.	Poynton, A.
Culpin, M.	Quick, Sir J.
Deakin, A.	Ronald, J. B.
Ewing, T. T.	Spence, W. G.
Fisher, A.	Thomas, J.
Forrest, Sir J.	Tudor, F. G.
Frazer, C. E.	Watson, J. C.
Groom, L. E.	Wilkinson, J.
Hutchison, J.	<i>Tellers:</i>
Kennedy, T.	Cook, Hume
Lyne, Sir W. J.	Storror, D.

NOES.

McWilliams, W. J.	<i>Tellers:</i>
	Johnson, W. E.
	Lee, H. W.

PAIRS.

Maloney, W. R. N.	Lonsdale, E.
Crouch, R. A.	Robinson, A.
Batchelor, E. L.	Willis, H.
Knox, W.	Smith, S.
Skene, T.	Fysh, Sir P. O.

Question so resolved in the affirmative.

Amendment negatived.

Mr. LONSDALE (New England) [12.55].—I move—

That the item "Oils, Olive, China" be amended by leaving out the word "China."

It would need very little expenditure to bring this industry into existence. According to the document which has been

required to provide the machinery for making the oil. It would be possible for two or three small men to start the industry by joining their forces. Peanuts are grown very much like peas, the only difference being that the former are grown in the ground instead of in a pod above the ground. They grow just like potatoes, and yield a crop worth about £9 to the acre. If that price will not encourage men to grow peanuts, I do not know what would. Here is the Parliament of this great Commonwealth wrestling with a proposal to develop industries which are of such a character that they can be successfully carried on without any assistance from the Treasury. I can understand protectionists resorting to this system of taking money from the pocket of one person to put it into the pocket of another; but that will not enrich the country. The experience of Victoria in this regard ought to have satisfied every intelligent Victorian that the system has impoverished the State, and kept it back far more than anything else has done. The freer industries are the better for the country, and certainly the money of the taxpayers should not be used to encourage persons to grow peanuts.

Amendment negatived.

Amendment (by Mr. JOHNSON) proposed—

That the item "Rice . . . £1,500," be left out.

Question—That the item "Rice . . . £1,500" proposed to be left out stand part of the schedule—put. The Committee divided.

Aves 28

Noes 3

Majority 25

AYES.

Bamford, F. W.
Bonython, Sir J. L.
Brown, T.
Chinter, J. M.
Chapman, Austin
Deakin, A.
Ewing, T. T.
Fisher, A.
Forrest, Sir J.
Frazer, C. E.
Groom, L. E.
Hutchison, J.
Kennedy, T.
Lyne, Sir W. J.
Mauger, S.

McColl, J. H.
O'Malley, King
Poynton, A.
Quick, Sir J.
Ronald, J. B.
Spence, W. G.
Storrer, D.
Thomas, J.
Tudor, F. G.
Watson, J. C.
Wilkinson, J.

Tellers:

Cook, Hume
Culpin, M.

NOES.

Tellers:

Johnson, W. E.
McWilliams, W. J.

Wilks, W. H.

Mr. Lonsdale.

Lonsdale, E.
Robinson, A.
Willis, H.
Smith, S.
Fysh, Sir P. O.

Question so resolved in the affirmative.

Amendment negatived.

Mr. WILKS (Dalley) [1.4].—I move—

That the item "Miscellaneous, Rubber . . ." be amended by leaving out the word "Rubber" with a view to insert in lieu thereof the word "Ship-building."

To-day we have been sanctioning the payment of bounties for the purpose of establishing new industries.

Mr. THOMAS.—Why did not the honorable member vote against the payment of a bounty for the production of condensed milk?

Mr. WILKS.—I voted against every item contained in the schedule. If there was no division called for in the case of condensed milk the fault is not mine. In regard to rubber, I desire to read a few extracts from the report upon the Federated Malay States and Java which has been prepared by Senator Smith. In that document he states—

At the present phenomenal price of rubber, the returns from a first class plantation of well-grown Para trees are something like 300 per cent. per annum, and there is, therefore, little reason for surprise that many tropical countries are smitten with the rubber fever.

Seeing that the industry returns the extraordinary profit of 300 per cent. upon the capital invested, I hold that it does not require any artificial aid in the shape of a bounty. Senator Smith, in speaking of Papua, says—

So far as our information goes there is no country better suited for rubber growing than Papua. It possesses an immense area of rich, well drained soil, rising from the sea level to an altitude of 800 feet, and the rainfall is heavy and evenly distributed. Another advantage of rubber cultivation is that it does not require skilled manual labour, and when once planted the maintenance expenses are small.

It cannot, therefore, be urged that this industry will afford any considerable employment to labour. Upon page 31 of the same report an estimate is given of the cost of clearing and planting 250 acres with Para rubber trees in Papua. It is from the Para tree, I may explain, that the best class of rubber is obtained. Senator Smith's estimate for the clearing and planting of 250 acres with Para rubber trees, including the expenses of upkeep for five years, is £5,666. He then states—

At the end of six years, assuming that the trees each yielded 2 lbs. of rubber, at the pre-

sent price the gross income would be £12,900, or over 220 per cent. on the outlay.

That is conclusive proof that this industry does not require the aid of a bounty. The countries with which we should have to compete if the industry were established in Australia are—Brazil, West Africa, Central America, Mexico, East Africa, Ceylon, and the Malay States. The world's output of rubber for 1905 was, approximately, 61,000 tons, and Senator Smith states that this yield was apportioned as follows:—From Brazil (including Peru and Caucho), 34,420 tons; from West Africa (including the Congo), 17,500 tons; from Central America and Mexico, 3,200 tons; and from East Africa, Ceylon, Malaya, and all other sources, 6,000 tons. That output, it will be noted, was obtained from countries in which the trees are tapped by black labour. In other words, it is a black-labour industry. Earlier in the debate the Minister of Trade and Customs stated that he had seen forests of native rubber trees in Northern Queensland. The point naturally arises as to whether the rubber which is obtained from the native trees is better than that which is produced by trees which have been cultivated. Upon that aspect of the subject, the honorable member for Corangamite delivered a very able address. He stated that the best rubber was obtained from trees which had been cultivated, but I find that Senator Smith entertains the contrary opinion. According to the Minister's own statement, there is no necessity for experiments to be conducted in connexion with the rubber industry. I do not know, therefore, why he should not agree to the omission of the word "rubber" from this item, with a view to insert in lieu thereof the word "ship-building." The Minister has undertaken that the annual expenditure shall not exceed £75,000, and if the allocation of these moneys be made on a *pro rata* basis, we shall probably have a sum of £10,500 to devote to this item. I ask that that sum shall be given by way of bounty to an industry that has not yet been established in Australia, and which receives no protection in the shape of Customs duties. All the other items in this schedule are dealt with in the Tariff. Ship-building is practically a new industry in Australia.

Mr. WATSON.—Are not ships built in Balmain?

Mr. WILKS.—Wooden vessels are built there.

Sir WILLIAM LYNE.—Some of the Manly ferry steamers—which are iron vessels—were built there.

Mr. WILKS.—But the industry is not firmly established. When the Tariff was under consideration, I and the honorable member for Parramatta voted for absolute free-trade. I now openly say that I fail to understand why honorable members should be prepared to grant bounties for the encouragement of small industries, having regard to the fact that they refused to grant a bounty for the encouragement of the iron industry. I do not believe in the bounty system, but if there are national industries which we need to assist, they are the iron industry, the ship-building industry, and deep sea fisheries. Ship-building is not governed by climatic conditions. It may be carried on in any port of Australia, and if I succeed in inducing the Committee to decide that the sum of £10,500 shall be devoted to its encouragement, instead of to the encouragement of the rubber industry, I shall certainly have done good work for the Commonwealth.

Sir WILLIAM LYNE.—I do not think that the amendment is within the scope of the Bill.

Mr. WILKS.—I am prepared to argue that point. If honorable members wish to assist the artisans of Australia by granting bounties for the encouragement of industries, they ought certainly to support my proposal. I do not ask that the industry shall be assisted through the medium of the Tariff. When I find a free-trade member of the Labour Party slipping away from his principles, in order to vote for a bounty on the production of condensed milk, I think that I should be prepared to make a slip for the sake of the substantial industry of ship-building—

Sir WILLIAM LYNE.—Which is carried on in the honorable member's electorate.

Mr. WILKS.—It is not confined to my electorate; but I would remind the Minister that he has been fighting for bounties to encourage industries which, for the most part, must necessarily be confined to one part of Australia.

Mr. WATSON (Bland) [1.18].—Most honorable members will sympathize with the view of the honorable member that ship-building should be a most important Australian industry. It seems to me, however, that a primary consideration is the establishment of the iron industry.

Mr. MCWILLIAMS.—We can build wooden vessels.

Mr. WATSON.—Many fine wooden ships have been built in Australia. A number of the smaller-sized iron vessels have also been built in New South Wales with excellent results so far as workmanship is concerned, although the cost of construction was greater than it would have been had they been constructed in the old country. I do not think, however, that the ship-builders of Balmain are likely to enthuse over a proposal that £7,000 or even £10,500 shall be distributed by way of bounty amongst them. The principal ship-building company in that suburb of Sydney has a capital of several hundred thousands of pounds, and lately built a steamer for the Manly Ferry Company at a cost of about £25,000. In these circumstances, the suggestion that they shall participate in this bounty—not that they shall procure the whole amount—seems to be so supremely ridiculous that it is not likely to be seriously considered. The best way to encourage shipbuilding would be to adopt after the elections such a Tariff as would insure to our shipwrights a fair chance of success. But I hope that the sympathies of honorable members with shipbuilders will not cause them to oppose the granting of a bounty for the production of rubber. During the trip which a number of honorable members made to Northern Queensland, we had an opportunity, particularly in the Cairns district, to learn something about the possibilities of the rubber industry, and I came away convinced that, if that industry were once established, great results would follow. It is all very well to speak of the enormous profits obtained from rubber trees; but it must be remembered that ten years must elapse before any return can be looked for.

Sir WILLIAM LYNE.—Not so much.

Mr. WATSON.—It depends upon the kind of tree planted. The Para rubber tree takes from ten to twelve years to mature, while the *Ficus elastica* takes about ten years.

Mr. FRAZER.—By that time the bounty period will have come to an end.

Mr. WATSON.—I am inclined to think that the period should be extended.

Mr. THOMAS.—A good many people would go in for mining if they could be certain of a profit of 300 per cent. at the end of ten years.

Mr. WATSON.—Those who go in for gold-mining know that, at the end of ten years, the price of gold will be as high as it is to-day; but those who spend their capital in planting rubber trees have no guarantee that at the end of ten years there will not be a slump in the price of rubber which will render their enterprise profitless. I heard it said the other day by a gentleman who has been connected with mining all his life, that the comparison of the word "mine" should be mine, miner, minus.

Mr. THOMAS.—Then a bounty should be given to encourage the mining industry.

Mr. WATSON.—Fortunately the industry is already established, and people are willing to take risks in connexion with it. There are immense possibilities in the rubber industry, and it would be wise for the Commonwealth and the Governments of the States to do all they can to encourage it. The statement that black labour is necessary is supremely ridiculous. I had a conversation with the expert in charge of the Kamerunga farm, near Cairns, whom the Queensland Government brought from India, and he told me that the rubber could be gathered from the *Ficus elastica* by the growers of the trees without any trouble.

Mr. JOSEPH COOK.—Would the operation be a commercial success?

Mr. WATSON.—Yes. Speaking from memory, he told me that the cost of planting the Banyan fig is not very great. Its rubber is not quite so good as the Para rubber; but after ten years a return of 12s. 6d. per tree could be looked for, and at the end of five years more a return of £1, while forty trees could be planted to the acre.

Mr. LONSDALE.—Then the return per acre would be £40.

Mr. WATSON.—It should not be forgotten that those who enter upon this industry must wait for ten years before they get any return.

Mr. MCWILLIAMS.—Orchardists have to wait seven years before they get a return; but it is not proposed to give the fruit-growing industry a bounty.

Mr. WATSON.—The object of the measure is to promote the establishment of new industries, and to encourage industries which so far have made but little progress. I believe that if the rubber industry is established it will in a few years be of such importance as to justify a fair expenditure upon its encouragement. I am

sorry that the Minister has not allowed a longer period for the operation of the proposed bounty on rubber.

Sir WILLIAM LYNE.—The honorable member has made out a good case for the extension of the period; but I find that the average time in which a tree matures is eight years.

Mr. WATSON.—I took a great deal of interest in this subject when in Queensland, and had several interviews with one of the Ministers of that State in regard to it. I learned from those best able to express an opinion that the really good commercial rubbers were produced by trees which did not bear until they had been planted for ten years.

Mr. THOMAS.—Is any money to be paid to the growers of rubber trees during the ten years in which they are getting no return?

Mr. WATSON.—No.

Mr. THOMAS.—That seems to me the period when they would be most in need of assistance.

Mr. WATSON.—So far as I can ascertain, the only trees which are really of value commercially require at least ten years before they produce rubber in sufficient quantities to justify their being tapped. That being so, I think the period ought to be extended, because, if it be limited to ten years, it means that just as the trees become of value the owners will find that the opportunity to collect the bounty will have disappeared. I do not think that many are likely to be encouraged under this proposal to take up the planting of rubber; and I urge the Minister to consider the question of extending the time.

Sir WILLIAM LYNE.—The only trouble is that I should have to amend clause 2, which lays down the period of ten years all through.

Mr. WATSON.—I do not think it at all likely that any one would take up rubber planting under a bounty system limited to ten years.

Sir WILLIAM LYNE.—I am afraid not, but an endeavour might be made to make use of the existing trees.

Mr. WATSON.—There are no rubber trees in Australia but indigenous trees, which are so scattered as to be hardly worth attention from a commercial point of view. If planting on a systematic scale were encouraged, people would start collecting, and the labour cost is very small.

Mr. McWILLIAMS.—How many would get the bounty?

Mr. WATSON.—I do not know.

Mr. McWILLIAMS.—The honorable member knows how much there is to divide.

Mr. WATSON.—It would depend on circumstances. Personally, I do not see any reason why a considerable number of people should not undertake the cultivation of rubber, for which there is an immense demand. As to the suggestion to give some encouragement before the trees bear, I do not see how that could be done.

Mr. THOMAS.—That is the only way to give help.

Mr. WATSON.—While in Queensland I suggested that the Government might undertake the planting of trees, and, after ten years, arrange, either directly, or as in India, by farming out, for the collection of the rubber. Apart from that, however, I think a great number of people would with proper encouragement undertake this industry.

Mr. McWILLIAMS.—Why do they not undertake it now?

Mr. WATSON.—They have to wait so long for a return.

Mr. McWILLIAMS.—They have to wait nearly as long for a return from orchards—eight years for pears.

Mr. WATSON.—In the case of rubber there is a wait of ten or twelve years, and, in such a period, the bottom may have fallen out of the market, and I suppose that is one reason why this industry has not been established. I was told only yesterday that about twenty years ago a person sold out a part interest in a rubber plantation in Central America, and that the man to whom he sold had last year made a profit of several thousands of pounds. It will be seen that there is money in the industry at the present time, and there is reasonable ground for supposing that there will be money in it some years hence, so that it is worth while to attempt to establish it.

Mr. JOSEPH COOK (Parramatta) [1.35].—If rubber, oil, rice, and many other articles are to have the advantage of a bonus, why not fruit? In our fruit districts, particularly those devoted to the cultivation of the orange, there is at present a tremendous glut, much more being produced than the local markets can absorb. This has been the case for some years past,

and something will have to be done to facilitate an export trade. Tons of fruit are rotting under the trees every year, simply because it does not pay to send it to market. At various times efforts have been made to send shipments of oranges to England, but the last shipment from New South Wales, in which the Government of the State took a prominent hand, was a total failure. It occurs to me that if we are going to provide bounties for all the industries contemplated by the Bill, we have in the fruit industry a sphere of action into which we might very well enter—that is to say, export development might very well be made the subject of a bounty.

Mr. SPENCE. — An Adelaide exporter finds that his fruit arrives at Home in very good condition.

Mr. JOSEPH COOK.—I venture to say that the losses in this connexion have been very heavy on exports from Adelaide.

Mr. HUTCHISON.—There is no complaint on that score.

Mr. JOSEPH COOK.—It is of no use complaining. All I can say is that the best fruit is not exported as ordinary cargo, because it does not carry as cargo.

Mr. SPENCE.—The Adelaide exporter sends the best fruit Home because it is of no use to send any other.

Mr. CHANTER.—I rise to a point of order. On the amendment before the Chair, is it competent for the Committee to discuss the addition of fruit and other products?

The CHAIRMAN.—The amendment before the Chair is to strike out the word "rubber," with a view to inserting "ship-building"; but the honorable member for Parramatta may proceed with his argument.

Mr. JOSEPH COOK.—The superior fruit of the more delicate varieties is the most difficult to carry. Inferior oranges may be sent to London as ordinary cargo, but the difficulty is to get the better qualities carried. At the present time fruit is arriving from America packed in all sorts of fancy ways, and here, again, is a development which might be kept in view by the Minister in connexion with a proposal to grant bounties. The fruit industry in New South Wales is suffering severely owing to the lack of an outlet for the surplus product. If we are to provide bounties with the objects indicated in the Bill, there is no reason why a very old industry such as I have indicated should not receive assistance at the hands of the State.

Mr. HUME COOK.—Why should the assistance be restricted to the fruit industry in New South Wales?

Mr. JOSEPH COOK.—I do not propose anything of the kind. I desire to encourage the exportation of fruit to markets outside of the Commonwealth—an object which I regard as more legitimate than many of those aimed at in the Bill.

Mr. HUTCHISON (Hindmarsh) [1.42].—It is pleasing to notice the new-born zeal of the honorable member for Dalley for the encouragement of the ship-building industry. I do not know whether he has been taken to task by his constituents, but he did not show any very special regard for the ship-building industry in New South Wales, and particularly for that branch of the work that is carried on at Mort's Dock, when he recently travelled to Western Australia at the expense of the Commonwealth in a steamer manned by black labour, and owned by a company which never spends one penny upon repairs in Sydney. I cordially welcome the honorable member as a convert to the faith of those who are anxious to establish and encourage native industry.

Mr. THOMAS.—The honorable member should not rub it in in that way.

Mr. HUTCHISON.—I am rubbing it in because I know why the honorable member for Dalley is moving his amendment. He has no special desire to encourage ship-building. I venture to say that if the proposal to grant bounties for the encouragement of the iron industry were revived, the honorable member would vote against it. And yet it must be apparent to him, as was pointed out by the honorable member for Bland, that it is ridiculous to talk about encouraging the ship-building trade unless we can produce iron in Australia. With regard to the proposal to grant a bounty for the production of rubber, I wish to point out that the Northern Territory, which I trust will soon be brought under the control of the Commonwealth Government, is eminently adapted for the production of rubber. Only recently a Scottish company proposed to take up a large area of the Northern Territory, and intended to devote a large portion of it to the cultivation of rubber trees. I am sure that a bounty such as that now proposed would afford them considerable encouragement, particularly if the period for the payment of the bounty were extended. We have often been told that we should do every-

thing in our power to promote the settlement of the Northern Territory, and I think that we should go a very long way in that direction by offering bounties for the cultivation of tropical products such as rubber. The honorable member for Parramatta suggests that we should do something to encourage the production of oranges. It seems to me that that industry offers a splendid field for private enterprise, apart from any encouragement that might be afforded by the granting of bounties. Oranges can be grown in almost any part of the Commonwealth, and there is no difficulty in obtaining land suitable for that purpose; but the facilities offered for the production of rubber are of a comparatively limited character. I quite agree with the honorable member for Parramatta that we should offer every facility for the exportation of our surplus produce, and I am very glad to notice that the South Australian Government propose to ship a large quantity of eggs, in order to ascertain whether that class of produce can be successfully forwarded to the home market.

Mr. LEE.—That can be done without any trouble.

Mr. HUTCHISON.—No doubt eggs can be successfully exported if a proper system of collecting is followed. In the same way, other industries, such as that of rubber-growing, can be successfully carried on after the initial organizing work has been performed. I trust that the Committee will insist upon retaining the word "rubber" in the schedule, and that the Minister will consider the advisability of extending the bounty period, so that those who lay out plantations in the immediate future may have some opportunity of reaping the reward of their enterprise before the bounty period has expired.

Mr. THOMAS (Barrier) [1.49].—I am glad that the honorable member for Dalley has raised the question of encouraging the ship-building industry. I do not think that it is right to impute motives to the honorable member, or to question his sincerity, and I shall be very glad to support his amendment if it can be shown that it is possible under this measure to encourage ship-building within the Commonwealth. After listening to the honorable member for Bland, it appears to me that this Bill will not assist the rubber industry very much. It will take practically ten years for the trees to produce rubber. Very few

people can afford to go in for the industry if they have to wait so long before obtaining a return for their capital. Immediately after the trees begin to bear, the returns are likely to be rather handsome. It appears to me, therefore, that the growers ought to be helped during the ten years. Afterwards they will want very little assistance. I do not wish any one to suppose that I do not desire to help the rubber industry; but I fear that the Bill, as it stands, will be of no use to it.

Sir WILLIAM LYNE.—I quite agree with what has been said, and will frame an amendment.

Mr. THOMAS. — Will the Minister frame an amendment to enable the growers to be assisted before their trees begin to bear?

Sir WILLIAM LYNE.—Yes.

Mr. THOMAS.—Then the rubber industry owes something to the honorable member for Dalley, because, had he not initiated this discussion, the Minister would not have seen the necessity for an amendment. I shall support the bounty to the rubber industry, though at the same time I hope something will be done to develop ship-building. If we can commence the building of large steam-ships in Australia, the industry will be far more valuable than the growing of a little coffee or cocoa. I was very pleased to hear what the honorable member for Hindmarsh said in regard to poultry. I am satisfied that a great Australian industry can be developed in the export of eggs. Honorable members may be surprised to know that in America the production of eggs is worth more to the people than any other industry. It is more remunerative than the production of iron, cattle, or wheat. If we could open up a profitable market in England and Europe for our eggs, we should do a great work in assisting the primary producer. Is the Minister prepared to do anything in that direction? I really think that those people who have expended their money in buying good fowls ought to be encouraged.

Mr. WILKS (Dalley) [2.0].—I should not have troubled the Committee again had it not been for the personal attack made upon me by the honorable member for Hindmarsh. He attempts to measure other people's corn by his own bushel, which is a contemptible, low, and mean one. He asked, "How can the honorable member for Dalley advocate this proposal

seriously when he travelled to Western Australia in a boat manned by black labour?" The honorable member for Dalley travelled to Western Australia in a boat of the Peninsular and Oriental Steam Navigation Company, manned by black labour, and so did a number of the colleagues of the honorable member for Hindmarsh, who black-legged upon them for the purpose of securing a low advertisement, for he took good care to have inserted in the newspapers of Adelaide and Western Australia the fact that he, the only true and loyal anti-black labour man in the Labour Party, refused to travel to Western Australia in a boat of the Peninsular and Oriental Steam Navigation Company. He black-legged at the expense of all the other labour members who travelled with me to Western Australia.

Mr. HUTCHISON.—That is not so, because I had a ticket for another boat.

Mr. WILKS.—Let me remind the honorable member that the labour members for Western Australia do not travel in a boat of the Peninsular and Oriental Steam Navigation Company, manned by black labour, but in German-owned boats. The honorable member, for the purpose of getting an advertisement, travelled in a vessel belonging to the Adelaide Steam-ship Company owned in Adelaide.

Mr. HUTCHISON.—Was that against my principles?

Mr. WILKS.—The honorable member simply says, "That company is established in my electorate." If he questions my sincerity, let me now ask him this question, "Is he so afraid of the Adelaide Steam-ship Company that he has to travel in their boats and to advertise the fact throughout the Commonwealth?"

Mr. HUTCHISON.—I supported the survey of a line from Port Augusta to Western Australia, but the Adelaide Steam-ship Company is not in favour of that proposal, so that the honorable member is wrong there.

Mr. WILKS.—The honorable member is the Simon Pure, and everybody else is tainted with insincerity. Let me tell him that in the first Federal Parliament, when we had some struggles over the Tariff, the enormous engineering establishments in my electorate, not tin-pot ones like those in Adelaide, did not receive one vote from me. I fought right through for the principles of free-trade. The honorable member for Parramatta, although he had in his elec-

torate large iron works crying out for an iron bonus, refused as a free-trader to grant a bonus to them. Yet it remains for the honorable member for Hindmarsh to stand up here and question my sincerity. For years I have contested my electorate as a free-trader, and for years I have obtained an enormous majority against the candidate of the party to which the honorable member belongs.

Mr. HUTCHISON.—Why does not the honorable member stick to his principles now?

Mr. WILKS.—I stand here simply because I have had the courage of my opinions. I hold the representation of a labour electorate which labour men cannot wrest from me.

Mr. HUTCHISON.—Why does not the honorable member stick to his principles now?

Mr. WILKS.—Let me remind the honorable member that I voted against every item in the schedule until this one was reached. What I say is that now that honorable members opposite are out for loot, I am out for loot too. Every industry for which they have voted a bonus is already established. I admit openly that I do not believe in the bounty system, but as it is pressed upon the House, I shall see whether the honorable member for Hindmarsh will encourage the ship-building industry in preference to the rubber industry, which employs black labour.

Mr. HUTCHISON.—Why does the honorable member support a proposal in which he does not believe?

Mr. WILKS.—This honorable member, who is always posing as the apostle of sincerity, boasted on the back bench, when the Labour Party were in trouble, that he would not go back upon his opinions, but on the same evening we saw him whipped, and sitting behind the Labour Party. He had boasted that he would not go back upon his expressed opinion in regard to a certain matter.

Mr. HUTCHISON.—When did I go back?

Mr. WILKS.—The honorable member went back the very same night.

Mr. HUTCHISON.—That is absolutely incorrect.

Mr. WILKS.—I wish to tell the honorable member for Hindmarsh that the rubber industry, in which he is so greatly concerned, is particularly suited to Papua. According to the report from which I have quoted the Commonwealth Government have

had 100,000 seeds sent to the Territory for the purpose of establishing the industry, and it is stated that it can be run without skilled labour, and by the natives. Am I to understand then that this honorable member, who is so sincere in his professions about employing white labour only, is, because the Commonwealth Government have gone to some expense in this direction in Papua, trying by means of a bounty to encourage the establishment of an industry in which very little white labour is required? I am about to make the honorable member a present, which he can use all over Australia if he likes. I am not moving this amendment in view of the coming election, but to expose the inconsistency of the protectionists in that they do not look after industries of this character.

Mr. HUTCHISON.—Where is the sincerity of the honorable member?

Mr. WILKS.—I declare openly that I do not believe in the bounty system.

Mr. HUTCHISON.—Here is the honorable member for Barrier, who says he does not believe in it either.

Mr. WILKS.—The honorable member for Barrier, as a free-trader, does not believe in the system, but he takes the same view that I do, namely, that when there is a bit of boodle going about he ought to get some of it. He is a free-trader, who represents a constituency with which he can take many liberties. We all know that his recent demonstration was merely mock heroics. When he pleaded for the encouragement of the egg industry, we could all see what a sad humorist he was, as he always is in regard to these matters. If I can get some loot, and the Committee is fool enough to give it, I shall certainly take it for an industry which would yield some return.

Mr. HUTCHISON.—The honorable member is going to help a system in which he does not believe.

Mr. WILKS.—I tell the honorable member frankly that I intend to take as much loot as I can for my electorate, the only difference between us being that I openly declare my intention. The honorable member says that he is acting in the interests of national industries, but the national industry which he prefers to ship-building is the rubber industry. If there is to be robbery I prefer to assist the ship-building industry.

Mr. LONSDALE (New England) [2.8].—The honorable member for Hindmarsh is very good at mock heroics. He made an attack upon the honorable member for Paramatta in regard to the orange industry. He said that it was a splendid field for private enterprise, as it was already established. Yet to-night he voted for a bounty to the olive oil industry, it being already established in South Australia. He was against assisting the fruit industry because it was already established, but he was prepared to use the money of the taxpayers in assisting the olive oil industry, established in his own State. I should like to know where his consistency comes in.

Mr. HUTCHISON.—Why does not the honorable member state what I did say?

Mr. LONSDALE.—If the honorable member will say that he did not vote for a bounty to the olive oil industry, then I shall admit that I am wrong; but he is not in a position to make that statement.

Mr. HUTCHISON.—The honorable member implied that I was opposed to the orange industry.

Mr. LONSDALE.—We have heard much argument about the rubber industry being in need of assistance. According to the honorable member for Bland, who seems to know a good deal about the industry, forty trees to the acre are planted, and each tree produces 12s. 6d. worth of rubber per annum in the first year of production, the value at the end of five years being £1 per tree.

Mr. WATSON.—It costs a good deal to collect the rubber.

Mr. LONSDALE.—That value is equivalent to a return of about £30 per acre for the whole period of five years, which is a splendid income.

Mr. SPENCE.—But that is the gross return.

Mr. LONSDALE.—There are many primary industries from which a similar gross return cannot be obtained.

Mr. WATSON.—But the cost of their production is very much less.

Mr. LONSDALE.—I say that the cost of collecting the rubber cannot involve as large an outlay as that which has to be incurred in the cultivation of wheat. But the unfortunate wheat farmer, who has to run the risk of the total failure of his crop, is to receive no bounty whatever. I say again that the rubber industry requires no

assistance at the hands of the Commonwealth. For fifteen years, including the ten years when the trees are reaching maturity, the production from a rubber plantation would be worth £10 per acre. The proposals of the Government constitute an absolute wrong. We have no right to expend the public funds for the purpose of fostering tropical industries. Throughout the evening, the members of the Labour Party have been supporting the payment of bounties to industries which will employ cheap labour. I shall support the amendment.

Mr. McWILLIAMS (Franklin) [2.15].—The honorable member for Bland defended the proposal to pay a bounty upon the production of rubber upon the ground that those who engaged in the industry would be compelled to wait ten years before they obtained any return. He stated that the best rubber trees do not attain maturity until they have been planted ten years.

Mr. WATSON.—I said that the Para rubber tree, which is the best, takes twelve years to mature.

Mr. McWILLIAMS.—The honorable member for Bland evidently forgets that those who are engaged in one of the most successful industries in Australia have to submit to the same disability.

Mr. WATSON.—What industry is that?

Mr. McWILLIAMS.—I refer to the cultivation of pears.

Mr. WATSON.—The production of pears is merely a side line.

Mr. McWILLIAMS.—I can assure the honorable member that the production of pears is a very considerable industry, and that scores of acres are now being planted with a view to supplying the English market.

Mr. WATSON.—Where is the man who attempts to make a livelihood out of the growing of pears?

Mr. McWILLIAMS.—For every individual who will gain a livelihood from the rubber industry a good many will earn a living from the cultivation of pear trees. The honorable member addressed the Committee at considerable length in defence of an industry which is worked by black labour all the world over.

Mr. WATSON.—It need not be so worked in Australia.

Mr. McWILLIAMS.—The honorable member argued that because those who embark upon the rubber industry will be

obliged to wait a number of years before they can secure any return, this Parliament should authorize the payment of a bounty to them. In other words, as soon as they begin to obtain a return upon the capital invested they should be granted State assistance.

Sir WILLIAM LYNE.—I wish that the honorable member would stop "stonewalling."

Mr. McWILLIAMS.—The impertinent interjection of the Minister will not have the effect of curtailing my remarks. The argument advanced by the honorable member for Bland applies with equal force to the fruit industry of Australia. There are men in the Bass electorate who are spending their money in laying out orchards, and who will not obtain any material return from their expenditure for seven or eight years. But because the industry in which they are engaged employs only white labour, they are to receive no assistance from the State. Upon the contrary, they are to be taxed for the purpose of fostering tropical industries which can employ only black labour. Tasmania is about full up of being the milch cow to keep such industries going.

Sir WILLIAM LYNE.—We are getting full up of the honorable member.

Mr. McWILLIAMS.—If the Minister of Trade and Customs were only as sure that he will be re-elected as I am, he would not need to neglect his duties so frequently as he does, and he would not have been accorded the reception which he recently received at Wagga. He will find that he has quite enough to do to look after his own electorate.

Sir WILLIAM LYNE.—I intend to visit the honorable member's constituency.

Mr. McWILLIAMS.—If that be so, I shall have no occasion to address meetings there. The Minister has only to visit a place to insure the condemnation of his own proposals. I am opposed to the bounty system, and if the question that a bounty be granted to ship-building were put I should vote against it. But if I have to choose between granting a bounty to the rubber industry, which is a black man's calling, and granting one to encourage ship-building—a white man's industry which would give employment to men of our own race, and be beneficial to Australia—I shall certainly vote for the latter proposal.

Question—That the word "Rubber" proposed to be left out stand part of the schedule—put. The Committee divided.

Ayes	24
Noes	5

Majority	19
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AYES.

Bamford, F. W.	Mauger, S.
Brown, T.	McColl, J. H.
Chanter, J. M.	Poynton, A.
Chapman, Austin	Ronald, J. B.
Culpin, M.	Spence, W. G.
Deakin, A.	Thomas, J.
Ewing, T. T.	Tudor, F. G.
Fisher, A.	Watson, J. C.
Forrest, Sir J.	Wilkinson, J.
Groom, L. E.	
Hutchison, J.	
Kennedy, T.	
Lyne, Sir W. J.	

Tellers:

Cook, Hume
Storrer, D.

NOES.

Tellers:

Johnson, W. E.
Wilks, W. H.

PAIRS.

Maloney, W. R. N.	Lonsdale, E.
Crouch, R. A.	Robinson, A.
Batchelor, E. L.	Willis, H.
Knox, W.	Smith, S.
Skene, T.	Fysh, Sir P. O.
Frazer, C. E.	Wilson, J. G.

Question so resolved in the affirmative.

Amendment negatived.

Mr. McCOLL (Echuca) [2.29]. — I move—

That the item "Miscellaneous" be amended by the addition of the words "cereals, sorghums, grasses, and other fodder plants, grown in a locality where the average annual rainfall for the five years preceding 1906 shall have been under 14 inches."

I do not think that any item in this schedule is of greater importance than is my proposal. Possibly it may prove more important than a combination of all the others. Provision has been made for the payment of bounties to encourage a large number of industries, which will give employment to a great many people; but if we can teach our farmers to grow cereals and other crops in districts possessing a very small rainfall, we shall bring about an industrial revolution.

Mr. WATSON. — Wheat is now being grown in districts where the rainfall is less than 14 inches.

Mr. McCOLL.—About 85 per cent. of our population lives within 100 miles of the coast, the interior of the country being practically uninhabited, because of its aridity. If we can conquer this drawback, we shall bring about a state of affairs hitherto undreamt of. Immigrants are de-

terred from coming here by what they hear of the arid nature of our lands; but if it can be shown that profitable crops can be produced under a rainfall of from 11 to 12 or 14 inches—and this has been done in other places — thousands of square miles which are now practically deserted and unused will be peopled, and the country will be able to support millions more than it is now supporting. Is it the intention of the Minister to accept the amendment?

Sir WILLIAM LYNE.—No.

Mr. McCOLL.—I extremely regret that the honorable gentleman, who represents a dry district—

Sir WILLIAM LYNE.—I do not.

Mr. McCOLL.—I have had several letters from the honorable gentleman's district, and I am very sorry that he will not accept the amendment. To show how dry the northern districts of Victoria are, I may mention that for eighteen out of twenty-six years the average rainfall in the Kerang district was less than 14 inches, and during those eighteen years the crops were almost a failure, and the farmers and the State suffered enormous losses.

Mr. THOMAS.—Irrigation is required there.

Mr. McCOLL.—The most important problem to be solved in Australia is how to use our arid areas. Our population clusters round the coast and we do not know the possibilities of our inland country. The outcry made against the proposed construction of the Western Australian railway was due to the belief that it would traverse arid country; but as that country supports a growth of mallee, blue bush, and numberless trees and shrubs of various kinds, it must possess a certain amount of moisture, and if properly cultivated might be made to produce commodities of great commercial value. In America they have faced this problem with great success. The American Continent is something like our own. It has an area of 3,000,000 square miles, of which a great portion is arid country, extending from the 97th meridian of west longitude westwards for a distance of 500 miles, and from Canada to Mexico, a distance of about 1,100 miles. The demand for land in the United States is as keen as it is in Victoria, the population of the country increasing at the rate of over 1,000,000 a year. The Government has, therefore, made every effort to utilize this enormous arid area. Towards the end of last century they sent experts to

the arid districts in other parts of the world to search for cereals, grasses, sorghums, and other fodder plants, growing under conditions similar as regards temperature and soil to those of the district of which I speak. Men were sent out to the plains of the Volga, to Siberia, to Algiers, and to other countries, and brought back with them wheat, maize, oats, grasses, and sorghums, which were experimented on with results so promising that the experiments have been persevered in. In this way they obtained the Durum wheat, which is so called because of its hardness, and oats from Algiers, which will also do well in dry country. As the result wheat-growing has been successful under ordinary farming methods at a distance 200 miles further west than the districts in which it has hitherto been attempted. Experts have also searched the world for drought-resisting seeds, and only lately Secretary Wilson, the very able chief of the Agricultural Bureau, is reported in a United States newspaper to have said—

We will not admit we have a bad acre of land in the United States, because for every acre we have got there must be some useful product in some part of the world which will grow there, and we mean to search and search until we find that product, and have the whole of that country under cultivation.

That is the spirit which should actuate us; but the Minister is not manifesting it to-night.

Mr. JOSEPH COOK.—Why not let us go home now, and discuss the matter reasonably this afternoon?

Mr. McCOLL.—I came prepared to discuss it, and shall do so at some length. My object is not to waste time, but to deal with one of the biggest problems which face Australia. I am sorry that I have to speak at such an untimely hour, but I shall not lose the opportunity which has come to me.

Sir JOHN FORREST.—The honorable member is thinking of himself, and of no one else.

Mr. McCOLL.—I do not think that that is a proper remark for the Minister to make. I have stayed all night to help the Government to pass the Bill, and have not hitherto had an opportunity to deal with this matter. The Treasurer has made an unworthy reflection upon one who is actuated only by patriotic motives in his present action.

Mr. TUDOR.—Is this not an electioneering speech?

Mr. LONSDALE. — The whole Bill is nothing but an electioneering appeal.

Mr. McCOLL.—My speech has nothing to do with electioneering. Not only have there been experiments with these new varieties of seeds, but experts have been employed to test the quality of the soils and the amount of moisture they contain, to ascertain the rainfall and how far a scant fall is capable of producing a crop. The result is that, by an improved system of cultivation, the invention and the introduction of new implements and methods, and the conservation of the moisture, good crops have been produced with a rainfall of 11 and 12 inches. That is a wonderful achievement, and an object lesson from which Australia, more than any other country, may benefit. Professor Campbell has devoted his whole time to this work for the last fourteen years, and the results of his experiments, which I propose to lay before honorable members, are most extraordinary. When I was in Denver I heard a great deal about this dry farming, and for the first time, because in the eastern portions of America, where there is a rainfall of 30 or 40 inches, that method is not necessary. I ascertained that the nearest experimental farm was at Cheyenne, in Wyoming. I took the opportunity to visit the farm, and found that it was just ready for seeding, under the charge of Mr. J. H. Gordon, a very experienced farmer, who had done well himself under irrigation. Mr. Gordon is cousin to the late Rev. Mr. Gordon, of Brighton, and he took a great deal of trouble to show me the method of operation. The ground was being got ready with good tilth, and was being seeded with all varieties of crops; and by the last American mail, I received a letter from Mr. Gordon informing me that, although he had been growing cereals under irrigation for thirty years, and had taken a gold medal for wheat at the St. Louis Exhibition, he had never seen a finer crop than that produced under a normal rainfall of 13 inches. The Cheyenne newspaper of 26th July contains a leading article setting forth what has been done, and advising every one interested in the welfare of the district to visit the farm. I may add that Dr. Cooke, of Portland, in Oregon, who has had charge of the Agricultural Department for fifteen or sixteen years, was then going through the country, under the supervision of a committee, instructing the people in the problem of dry

Clayenne, together with Dr. Cooke's teaching, is that nearly the whole of the people in that part of the country are entering upon a distinct system of cultivation, and looking forward to an entirely new state of affairs in the State of Wyoming.

Mr. KING O'MALLEY.—In my day, that country was looked upon as a desert.

Mr. McCOLL.—The same sort of thing is going on in Nebraska, where Professor Campbell has been working, and also in the State of Utah, which is one of the dry States of the Union, where, when the whole of the rainfall has been conserved, only about one-tenth of the territory can be irrigated. In 1903, those in charge of the experimental farm in Utah sent a letter to Governor Heber, suggesting that five experimental dry farms should be formed in that State. The Governor sent the letter on to the Legislature, which received the suggestion in favour. A Bill was introduced and passed in a very few days, and the committee, consisting of Dr. Widstoe, Chief of Logan Experimental Farm, Professor Merrill, Agronomist, and Senator Whitmore, were appointed to select the sites. These gentlemen acted with expedition, and in less than two months had selected not five, but six sites, which, according to agreement, were fenced by the county authorities. The sites were selected in the driest parts, and embraced every variety of soil, from gravel and sandy dry to fair loam. The soil had had no previous fallowing, but it was placed under a certain system of cultivation, with the result that it produced from twenty down to five bushels of wheat per acre. The report of the experimental station of the Utah Agricultural College states:—

Soon after the farms had been secured a most elaborate soil survey of each farm was made. This was thought advisable in view of the important relations which soils sustained to plants, both as regards plant food and capacity for water storage. The detailed report of the soil surveys, which will emphasize many important arid farm principles, will appear in a later bulletin. The following table shows the amounts of gravel, sand, silt, and clay found in the most characteristic soil variety occurring in each farm.

Then the percentages of sand, silt, gravel, and clay in the soil of each farm are given. The report goes on to say—

This wide range in the composition of the soils of the farms is very desirable, for it admits of a comparative study of different soils for the purposes of arid farming. It was ex-

be learned from a study of arid farming in Cache and Boxelder counties, the physical composition of the soil made little or no difference in its power to yield crops without irrigation. Undoubtedly, however, the plant foods found in a soil, determine, in a measure, the ease with which plants having at their disposal a limited amount of water, can accomplish their life cycles.

The report also deals with the soil treatment. It is stated—

In each instance the county fenced the forty acres selected by the Committee and cleared the ground from sage brush. As soon as the sage brush was removed the ground was ploughed, the instructions being to plough to a depth of ten inches. Some difficulty was experienced in ploughing the ground to the required depth, and on one farm (Washington County) the ploughing was not over five or six inches, but on the remaining farms the ploughing was done quite uniformly to the depth of eight inches. The harrow followed the plough, the ground being harrowed over until the surface soil was loose and fine. In some instances it was found necessary to disk the ground before it could be brought into the proper state of tilth, but the smoothing harrow always followed the disk.

About one half of the plats were summer fallowed during the season of 1904, these plats being kept free of weeds and under constant cultivation, in order to conserve the moisture for use during the season of 1905. Most of these plats were seeded during this fall (1904), and the remainder will be seeded early next spring. The results already secured are the products of but one year's precipitation, and the station workers have never maintained that, with present culture methods, large yields could be secured with but one year's precipitation, but that the rainfall of two or even three years may be necessary for the production of profitable crops. With this condition in mind, it is not surprising that better yields were not secured on the less successful farms, and the marvel is that such satisfactory yields were secured under the existing conditions, even with the best farms.

Some of the results obtained with regard to wheat are given as follows:—

Variety test of fall wheat, Juab and Tooele counties.

Variety.	Juab. Bushels.	Tooele. Bushels.
Odessa	20.5 ...	10.55
Turkey	23.83 ...	11.14
Red Chaff	22.08 ...	12.65
Forty Fold (Gold Coin)	22.50 ...	15.20
Blue Stem	13.75 ...	9.6
Kofoid	18.91 ...	14.1
Black Don (8,232) ...	15.0 ...	—
Pelissier (7,785) ...	16.16 ...	—
Lofthouse (Winter La Selle)	16.16 ...	12.02
Richi (7,795)	— ...	13.4
Egyptian	— ...	11.8
Sonora	— ...	12.8

All these results were obtained in country having a very limited rainfall, and the

yields of wheat were estimated upon the basis of 60 lbs. per bushel.

Mr. KENNEDY.—Can the honorable member state the rainfalls for the different localities?

Mr. McCOLL.—I have the particulars here, but I cannot place my finger upon them just at the moment. Tests were also conducted with Spring wheats, which yielded 19, 11, 21, and 20 bushels per acre respectively. With regard to oats, the report states—

We have not considered oats as among the possibilities for arid farming until very recently. Numerous inquiries have reached us concerning a fall variety of oats, but we have been unable to secure such a variety. The "sixty day" oats is a Russian variety imported by the United States Department of Agriculture several years ago, especially for the arid region. It is a vigorous but not a rank grower. The straw is very short, but in our variety test at the home station this variety has proved to be an exceptionally good yielder. This variety gave best results, taken as a whole, on the arid farms.

Seeing that the morning is so far advanced, I move—

That progress be reported.

Motion negatived.

Mr. McCOLL.—I should not have raised any difficulty about proceeding with my speech at this stage, but for the fact that on last Friday I was informed that the Government would accept the amendment.

Sir WILLIAM LYNE.—The honorable member never heard me say so.

Mr. McCOLL.—The Minister was not then in charge of the Bill. With regard to barley the report states—

Yields of barley were quite satisfactory for the first year, especially when we take into consideration the fact that we were compelled to use seed from irrigated farms, as we found it impossible to secure varieties from the "dry" farms. The yields given then, represent the first year removed from irrigation, and on land recently ploughed, and in which there had been no opportunity to conserve moisture to an appreciable extent.

Yield of barley on arid farms:—

Juab County—California, 34.9 bushels; California prolific, 32.3 bushels; Success, 26.8 bushels. Iron County—California, 10.00 bushels; Manshury, 6.15 bushels. Washington County—California, 5.13 bushels. No attempt was made to grow barley on the other three farms this year, but the success of this crop on these farms will warrant us in encouraging its growth on arid lands.

The results obtained from drought-resisting rye are given as follows:—

Yield of rye on arid farms:—Juab County — 14.04 bushels per acre. Iron County—11.55 bushels per acre. At Washington

County the rye yielded probably at the rate of 12 bushels per acre, but as the birds destroyed the yields on the plats, no absolute results can be given. Rye was not sown on the other three farms, but there is no doubt but that rye is one of the best drought resisting cereals, and in localities of limited rainfall one of the crops most likely to succeed.

Experiments were also conducted with "Emmer" wheat, regarding which the report states—

Emmer, sometimes known as "Spelz," "Speltz," or "Spiltz," is a species of wheat, and has special drought resisting qualities. There is both a fall and Spring variety, but the variety grown on these farms was the Spring variety. It is said of Emmer that "It will produce a fair crop under almost any conditions of soil and climate, but thrives best in a dry prairie region, with hot summers, where it gives excellent yields." Emmer is used as a stock feed, and compares well with oats and barley for this purpose. It is eaten readily by all kinds of stock, but it has shown itself to be especially well adapted to milk cows. The hulls remain attached to the grain after threshing, and this fact renders Emmer less dangerous as a stock feed than wheat. It weighs 38 to 40 lbs. per bushel.

It is mentioned, with regard to lucerne—

Lucerne was planted on all of the arid farms, part of the plats being planted in the fall and a part in the Spring; the fall planting was a failure whenever tried. The Spring planted plants were all successful; that is, a stand of lucerne was obtained without a single failure on any of the farms. . . . We are assured of a good crop of lucerne next year, and much valuable data on the crop will doubtless accumulate in a few years. On many arid farms throughout the State, a good crop of lucerne is secured for hay; the second crop gives a heavy and profitable yield of seed. Lucerne growing, especially lucerne seed production, is a reasonable possibility of the Utah desert.

With regard to the experiments conducted with maize, the report states—

The growing of corn on arid lands has been practised for many years in the arid farm districts of the State, and has been regarded feasible even where other crops were failures. Corn, which permits of intertillage, has come into quite general favour as an arid farm crop, but the fact that a very small amount in corn, either on irrigated or arid farms, is grown in the State, would seem to indicate that this crop is not regarded in the light of a money making crop. Yet, corn can be successfully and profitably grown in this State, either on irrigated or arid lands, but more especially on arid lands.

The corn used for seed on these farms had been grown on dry land under the supervision of the station, for three years, and was in consequence adapted for this test. The yield in Iron County (25.03 bushels of ear corn per acre) was the best yield obtained, but it is thought that with less seed and with more experience in growing the crop, this yield can be materially increased, especially on summer fallowed land.

feed for cattle and sheep) was obtained, in addition to the corn. With the exception of Sevier County, where early frosts prevented the corn from maturing, a crop was obtained on each of the farms.

I know of no more important question that can be dealt with in this Bill than this great question of bringing under cultivation great areas of our arid land, and success to large numbers of our struggling people. I should like to see the Federal Government do what has been done in Utah—start experimental farms.

Sir WILLIAM LYNE.—There are experimental farms all over New South Wales. Evidently the honorable member does not know what has been done there.

Mr. McCOLL.—We have heard of no results from them.

Sir WILLIAM LYNE.—We have had great results. What nonsense the honorable member is talking!

Mr. KENNEDY.—The New South Wales Government publishes the returns.

Mr. McCOLL.—Does not the Minister think that it is desirable to extend the system to Western Australia, South Australia, and Queensland?

Mr. MAUGER.—This is good Socialism!

Mr. McCOLL.—It is not Socialism at all. These farms would only cost about £500 each.

Sir WILLIAM LYNE.—The amendment would bring in every squattage in the west.

Mr. McCOLL.—It would do nothing of the kind. In the country to which I am referring they have also grown various grasses, the particulars of which I need not recapitulate. The result was that at the end of the first year an exhibit or fair was held in Salt Lake City. I wish to quote the following passage about that fair—

It was thought that an exhibit of the actual products of the first year's work on the dry farms at the State Fair would reach a large number of people, and stimulate an interest in the industry, and an exhibit was therefore made. Each of the stations was represented at the fair by samples of the grains, grasses, and miscellaneous crops grown thereon, affording object lessons of the greatest worth to every intelligent farmer who took time to study the exhibit. The Salt Lake daily papers commented on the exhibit, and of the thousands who visited this section during the week, not one was heard to make an adverse criticism. Many encouraging and helpful suggestions were made, and the sentiment that the State was expending money wisely in this desert reclamation work, was,

News, discussing the exhibit, has to say:—"One year ago the farms were turned over to the Experiment Station, fenced and ready for the plow. They were covered with sagebrush, and looked as uninviting from the stand-point of agriculture as could be imagined. The transformation from a desert to a fruitful field borders on the miraculous, and the result of the first season's work—only one year removed from sagebrush barrens—is most incredible. The crops of various varieties of wheat, oats, barley, rye, speltz, Indian and Kafir corn, sorghum and alfalfa, show surprising yields, while the growth of potatoes and sugar beets, the only vegetable tested, promise wonderful possibilities."

On three successive days the *Salt Lake Tribune* called attention to the exhibit, and made the following editorial comment:—

"A feature of this Fair never before seen is the extensive exhibit from the several dry farm stations of the State. The result of the present season's work on these dry farms will prove an eye-opener to the farmers generally, as the yield of grain from them without any irrigation at all, and in a time of less than the normal precipitation during the growing season, is above the average from irrigated farms. We trust that all the farmers will pay especial attention to this exhibit, for it is likely to mark the introduction of a new era in the farming of the whole arid regions. The exhibit is in the southwestern corner of the building.

"Some excellent specimens of flint corn ears more than 18 inches long, and over which the corn was uniformly distributed; lucern two feet in length; brone grass 15 inches in length, and cereals fully the equal of anything that can be grown on irrigated lands, were on exhibit. Such crops were the means of convincing many farmers and prominent business men of the State of the practicability of arid farming."

I wish to ventilate this question in order that it may be properly investigated later on. I have been asked what the rainfall is in Utah, and I will give the particulars. In the northern portion of the State, the highest rainfall was 16 inches, and the lowest, 4; in the middle portion, the highest rainfall was 14 inches, and the lowest, 4.6; in the southern portion, the highest rainfall was 20 inches, but that was only in one spot; over the remainder of the district, the rainfall ranged between 13 inches and 5. So that the average rainfall would not warrant us in calling the country anything better than arid.

Mr. POYNTON.—What was the actual rainfall where these crops were growing?

Mr. McCOLL.—Not more than 12 inches.

Mr. SPENCE.—How many falls were there per annum?

Mr. McCOLL.—That does not matter, because the water is stored in the soil. That is a matter which I shall probably

mit my amendment, and trust that the Committee will be in sympathy with it, and will help me to carry it.

Mr. SPENCE (Darling) [3.9].—Whilst the idea of the honorable member for Echuca is good in intention, sufficient, in my opinion, is being done in Australia at present in the direction of experimental farming. The honorable member seemed to be unaware that anything of that nature is now being done with cereals and other plants adaptable to Australian conditions. It does not follow because certain crops have succeeded in Utah, that the same plants would grow in Australia. Another consideration is that the rainfall in a particular district is no indication of whether particular crops will grow there. I believe that Australia has a larger area of good soil than has any other country in the world. Certainly, it has far more good soil than has America, where the area is limited, and science has to be applied to poor lands. In the arid portion of New South Wales we have a magnificent soil to a great depth, and it only needs rain to become productive. What I suggest to the Government is that a reward should be offered for the discovery of an invention which would bring down the rain. In my opinion, it would be far better to adopt that suggestion than to carry out the proposal of the honorable member for Echuca. The New South Wales Astronomer told a Commission of which I was a member that the moisture travelled about 400 or 500 miles, generally eastward, every twenty-four hours. He said that there is a sufficient quantity of moisture passing over the continent every day to give an ample rainfall, and that it only remains for science to find a way to bring it down. It is more important to Australia than to any other country that this moisture should be brought down. The Government might very well consider the question of offering a reward, not only for that purpose, but to encourage the invention of a machine for the cutting of sugar cane and for the eradication of the fruit pest, as well as the tick. In Australia, we have, within the rainfall limit, a large area of country now unused but suitable for agricultural purposes, to which our attention should be directed before we seriously consider a proposal of the kind just submitted. It would be absolutely cruel to ask

attempt to grow sorghum and other fodder crops. In New South Wales scores of men have been ruined through being tempted to go west. In the rainfall districts there are millions of acres of land which are locked up. When we have unlocked these lands near to the coast—and that will take some years—then it will be time enough to touch the arid districts in the west. Take, for instance, my electorate. What chance would a farmer have to grow wheat at a distance of 500 miles from the coast, to pay freight to the seaport, and to compete in the world's market? It would be a hopeless undertaking on his part. Indeed, it would be absolute cruelty to encourage any one to make the experiment. In New South Wales we have carried on many experiments, although, unfortunately, the fact does not seem to be generally known. The honorable member for Echuca, who recently had a most interesting trip, acquired much information in other countries. Apparently he did not know of what was being done in Australia in some directions. For some years in New South Wales, the late Mr. Farrar experimented in producing a grain which would grow in the drier districts. Such men are almost invaluable to a country. In New South Wales, too, we have had some great enthusiasts in connexion with State experimental farms. Of course, it is only the Government who can afford to continue these experiments, and it is their duty to do so. When it has been proved that in different districts a certain thing can be done, then it will be time enough to encourage settlers to try their hand in that direction. A man might be ruined in experimenting on the lines which have been suggested by the honorable member for Echuca, because, although the experiment might have succeeded elsewhere, climatic conditions in Australia might militate against it. In the western district of New South Wales, for instance, there is an average rainfall of 8 inches. If the rain came in two falls the district would never be short of grass, but when it comes in a fall of half-an-inch now and again it is of no use for any purpose. In the great wheat-growing districts of California the rainfall is small, comparatively speaking, but it falls at the right time, whereas Australia is specially noted for the irregularity of its rainfall. In my electorate, for instance, there was an occasion when there was not a drop of rain for seven years. But within eight weeks of its

not believe that there is any other district in the world which could produce a similar result. The native grasses grew luxuriantly, and, of course, made magnificent fodder. That shows the quality of the soil. If the rain would only fall in a sufficient quantity once or twice a year anything could be grown in that country. I believe that a means will yet be discovered to make the rain fall when it is wanted, and when that discovery is made there will be no country in the world like Australia. We have richness of soil, though not, of course, to an unlimited depth. It has all the necessary chemical properties, and only wants moisture. If we have been able to bring water from below, surely we shall eventually be able to bring moisture from above. I do not think that, at the present time, we are called upon to expend public money in the way proposed by the honorable member for Echuca. The States are now carrying on experimental farms. New South Wales, for instance, established an experimental farm at Coolibah, on the border of the western district, and Mr. Peacock, who is now in charge of the Bathurst experimental farm, did much good work there. Unfortunately, he went there in a drought, but he grew a great variety of salt bush, which, I regret to say, is not used for fodder as extensively as it should be.

Mr. LONSDALE (New England) [3.19].—In the dry areas of New South Wales we have had various experiments made, and some of them have been very successful. Whether they have been carried out to the same extent as the American experiments I am not prepared to say; but I know that by cultivation Mr. Valder, who had charge of the experimental farm at Wagga Wagga, and who is now in South Africa, did succeed in producing very much more per acre by dry farming, as it is called, than did outside farmers. I asked him whether it was a commercial success, and he said that it was, and that he would be prepared to carry on the farm as a commercial concern if the Government would allow him to act on commercial lines. I made these remarks because it might be thought that the expenditure of time involved in the process would be greater than was warranted by the increased yield obtained. He informed me, however, that such was not the case. It would have been a splendid thing if some of the money which it is proposed to expend by way of bounty upon the production of the com-

spent in conducting experiments in dry farming upon some of our arid areas.

Mr. KENNEDY (Moir) [3.23].—The honorable member for New England has remarked that any money which may be expended in the form of bounties should be devoted to the development of new industries. I desire to point out to him that the proposal of the honorable member for Echuca would have the effect of granting a bounty upon the production of wheat to the majority of our Victorian wheat-growers.

Mr. LONSDALE.—I have no objection to their getting it.

Mr. KENNEDY.—The peculiar feature connected with agriculture in Victoria—and to a large extent the same remark is applicable to New South Wales—is that whilst we have an enormous area of good arable land in districts in which there is an assured rainfall, the great bulk of our cereal production comes from the drier districts. The honorable member for Echuca will agree with me that the bulk of the wheat produced in Victoria is grown within an area which might be defined by a line drawn forty miles north and west of the Dividing Range to the Murray and the South Australian border. Through that area the average rainfall during the past five years has not exceeded 14 inches.

Mr. MCCOLL.—It has averaged from 16 to 20 inches.

Mr. KENNEDY.—I have taken the precaution to obtain the official figures from the Observatory. The officer in charge writes—

The quantity of rain recorded during the past five years at each of the following stations is forwarded in response to your request received to-day by telephone.

The stations in question are Kerang, Echuca, Nathalia, and Numurkah, which are typical of the midland and Goulburn Valley districts. At the Kerang station the average rainfall for the years 1901 to 1905, inclusive, was 12.60 inches. At Echuca the total rainfall during the same period was 70.95 inches, an average of a trifle more than 14 inches, and at Nathalia it aggregated 70 inches, or an average of 14 inches per annum. In the year 1901, when the wheat yield was a large one, the rainfall at Nathalia was only 12 inches. The same remark is applicable to the Echuca district. The returns for the Numurkah district for the years 1904 and 1905 are not available, but for the three preceding years

they were practically the same as the Nathalia record. That goes to show that the average in the Numurkah district was about 10 inches. Anything which can be done in the direction of imparting to our farmers a higher scientific education than they possess ought to be undertaken, and the honorable member for Echuca is justified in directing attention to the necessity for adopting better methods of cultivation with a view to conserving any moisture which may fall. But I would point out that what is known as "dry farming" has been practised in all the older settled northern districts of Victoria for many years. There the system of "bare fallowing" has been adopted. I fail to see how the payment of a bounty upon the production of cereals, sorghums, and grasses in our arid areas can be of the slightest possible benefit to our primary producers.

Mr. SPENCE.—It has already been proved that they can be produced here.

Mr. KENNEDY.—Certainly. In supporting the Bill, my desire is to assist in making a commercial success of certain industries in connexion with which experiments have been made in Australia. That remark will apply to the production of rice, coffee, and certain other products included in the schedule. A good deal is being done by the States to promote new industries. We have experimental plots scattered all over Victoria—even in the Mallee, where the average annual rainfall is about 8 inches—and experiments are being made to determine whether cereals and grasses can be successfully grown in arid districts.

Mr. SPENCE.—The State Department supplies the farmer with seed wheat.

Mr. KENNEDY.—And also provides him with manures. The best expert advice is also provided by the State, and the same course is being followed by the Agricultural Department of New South Wales. A Federal Bureau of Agriculture is necessary to collate the information obtained by the States Department. It is true, as has been said by the honorable member for Echuca, that a Victorian farmer cannot be enlightened by the local Department as to what is being done by the agriculturists of other States. Let me relate an experience which befel me some years back. I live within two hours' drive of one of the best agricultural colleges in the Commonwealth. It is fairly well equipped, and is well controlled by a most enthusiastic body of capable men. In the early days, when

I first settled in the northern districts of Victoria, I conceived the idea that it was possible to grow lucerne there. I spent a good deal of money that I could not very well afford to lose in conducting experiments, and ultimately proved that lucerne could be successfully grown in the district. On visiting the Dookie Agricultural College, I found that the experts there, like myself and other farmers in the district, had been groping in the dark. It was only by going to the college that I was able to ascertain that fact. Unfortunately, at that time, full details were not published of the work carried out by the Council of Agricultural Education of Victoria, an institution which is quite distinct from the Department of Agriculture. We have now got beyond that stage; but if we had a Federal Department which would collect and disseminate the information obtained as the result of experiments by the States Departments, great good would accrue to the farmers. We live too much to ourselves; the farmers have not time to investigate all these matters for themselves, and if the results of the experiments conducted by the States Departments were collected by a Federal bureau, and disseminated amongst the people, inestimable good would accrue to the community.

Mr. KING O'MALLEY (Darwin) [3.36].—Over twenty years ago, I travelled through Utah, which was visited recently by the honorable member for Echuca, and at that time, the leading men in the country despaired of ever accomplishing in connexion with the agricultural industry, that which has been achieved of recent years. The honorable member has put before the Committee a practical proposal which he has supported by facts that can be readily verified. Shortly after Nevada became a State, its mines worked out, and its population was reduced to such an extent that had it not joined the Union during the great mining boom, it would not have been declared a State; but, as the result of dry farming, its population has increased three-fold during the last seven or eight years. In South Utah, rain sometimes does not fall during a period of five years, and yet, under the dry farming system, wheat can be produced there. These are facts that are worth knowing. There is no doubt that the great drawback to the progress of Australia is that some of her people—like other small communities—think that they know everything that is worth learning.

raise good crops?

Mr. KING O'MALLEY.—Some of the farmers here are fifty years behind the farmers in Canada and the United States. We make a great mistake by isolating ourselves. The Minister has been asking the Committee to agree to the payment of bounties to encourage industries which may never be successful, but the proposal of the honorable member for Echuca is undoubtedly one that can be carried to a successful issue. Why should the Minister object to the amendment? I have not made more than three speeches during the session, and yet this morning, when I am advocating a system which I know to be an accomplished fact in America, honorable members are impatient. Australia is a mighty continent, almost as large as the United States of America, including Alaska, and dry farming will enable our arid lands to be profitably cultivated.

Mr. TUDOR.—Not all the best land is cultivated yet. Thousands of acres of the best land in the Western District are not being utilized.

Mr. KING O'MALLEY.—The land tax proposed by the leader of the Labour Party will cause the land to be utilized. Why should not the farmers enjoy the benefits of the bounty system? They are the foundation of our prosperity. If Melbourne were burned down, the farmers would rebuild it very quickly; but if our farming population were destroyed, the people of Melbourne would starve.

Question—That the words proposed to be inserted be so inserted—put. The Committee divided.

Aves	...	...	...	5
Noes	...	...	...	22
<hr/>				
Majority	...	...	...	17

AYES.

Brown, T.
Chanter, J. M.
Cook, Joseph

Tellers:
McColl, J. H.
O'Malley, K.

NOES.

Bamford, F. W.
Chapman, Austin
Culpin, M.
Deakin, A.
Ewing, T. T.
Fisher, A.
Forrest, Sir J.
Groom, L. E.
Hutchison, J.
Kennedy, T.
Lyne, Sir W. J.
McWilliams, W. J.

Poynton, A.
Ronald, J. B.
Spence, W. G.
Storrer, D.
Thomas, J.
Tudor, F. G.
Watson, J. C.
Wilkinson, J.

Tellers:
Cook, Hume
Mauger, S.

Lonsdale, E.
Robinson, A.
Willis, H.
Smith, S.
Fysh, Sir P. O.
Wilson, J. G.

Maloney, W. R. N.
Crouch, R. A.
Batchelor, E. L.
Knox, W.
Skene, T.
Fraser, C. E.

Question so resolved in the negative.
Amendment negatived.

Mr. JOSEPH COOK (Parramatta) [3.50].—I move—

That the item "Miscellaneous . . . £7,000," be amended by increasing the amount to £17,000.

The CHAIRMAN.—I cannot accept the amendment, because, if it were carried, it would exceed the amount sanctioned in the message of the Governor-General.

Mr. JOSEPH COOK.—May I remind you, Mr. Chairman, that if your ruling is right, the Minister of Trade and Customs is in a similar difficulty. According to the Bill, the honorable gentleman is supposed to spend not more than £75,000 a year, which, of course, means that he may expend that amount each year.

Sir WILLIAM LYNE. — But the total amount expended must not exceed £500,000 in the ten years.

Mr. JOSEPH COOK.—Will the Chairman kindly tell me what was the message of the Governor-General?

The CHAIRMAN.—The message practically covered an expenditure of £500,000, and if another £10,000 per annum be now added to that expenditure over the ten years the total expenditure will amount to £600,000.

Mr. JOSEPH COOK. — Not at all. My idea is to have an increased expenditure for only a few years, with the object of covering some trial shipments, with a view to reaching the markets of the world with our fruit.

Sir WILLIAM LYNE. — The honorable member is slipping.

Mr. JOSEPH COOK. — There is no question of "slipping"; it is a matter of allocating the money, the expenditure of which has already been decided upon by the Committee. The object I have in view is infinitely more worthy than are many proposals of the Government. If this money has to be spent, let us spend it to the best advantage; and I think that if ever there was a fair field for bounties, it is that suggested by the honorable member for Echuca. I now suggest another experiment, which, if successful, would give a return a hundredfold above that which

might be expected from many of the other items in the schedule. May I ask the limit to which I can go?

The CHAIRMAN.—The limit to which an increase may be made is £9,000.

Mr. JOSEPH COOK.—As I cannot submit a proposal of the nature I desire, I ask the Minister to take the matter into consideration. I now move—

That the item "Miscellaneous" be amended by the insertion of the following words:—"and fruit exported to markets outside Australia."

Mr. McWILLIAMS (Flinders) [3.55].—I understand that we are committed to an expenditure of £500,000, and that that amount is to be distributed as bonuses in relation to a certain number of articles. I understand that the amendment of the honorable member for Parramatta, without attempting to increase the vote in the total, means that another article is to be added to the list which shall receive its share.

Sir WILLIAM LYNE.—Which shall receive its share of the £9,000 now available.

Mr. McWILLIAMS.—If the proposal of the honorable member for Parramatta means the increase of the total expenditure by one sixpence I shall oppose it, but if it means that the fruit industry shall receive a portion of the amount we have already voted, then I certainly see no reason why that industry should not be given some encouragement, in face of the fact that we have voted bounties to the oil, coffee, and other industries already established. If we are to spend £500,000 in this way, all primary producers should be placed on the same footing; and I do not see why the producer of potatoes or fruit should not receive the same encouragement as the producer of olive oil, coffee, or cocoa.

Mr. HUTCHISON (Hindmarsh) [3.58].—We are beginning to reduce the proceedings to a farce. There are a number of industries which members of the Opposition have forgotten to mention, such as the production of lemon peel. If we grant a bonus to the industry I have just mentioned, and to others, we shall reduce the amount to about £1 per industry. I think we have had enough of this discussion.

Mr. JOSEPH COOK (Parramatta) [3.59].—The honorable member for Hindmarsh is very anxious to describe as farcical any proceedings which may be outside his particular sphere. The proposal before

the Chair, so far from being farcical, will, if carried, facilitate exchange in one of the largest industries of Australia—an industry which certainly needs assistance. No other industry is suffering from such disabilities, particularly in regard to difficulties of export. The proposal is to allocate a little of this money to facilitate exchanges, and if honorable members desire to do some good they now have an opportunity.

Question—That the words proposed to be inserted be so inserted—put. The Committee divided.

Ayes	8
Noes	18
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Majority	10

AYES.

Brown, T.	Watson, J. C.
Cook, Joseph	
Lee, H. W.	<i>Tellers:</i>
McColl, J. H.	Hutchison, J.
McWilliams, W. J.	O'Malley, K.

NOES.

Bamford, F. W.	Poynton, A.
Chanter, J. M.	Ronald, J. B.
Chapman, A.	Spence, W. G.
Deakin, A.	Storror, D.
Ewing, T. T.	Tudor, F. G.
Forrest, Sir J.	Wilkinson, J.
Groom, L. E.	
Kennedy, T.	<i>Tellers:</i>
Lyne, Sir W. J.	Cook, Hume
Mauger, S.	Culpin, M.

PAIRS.

Lonsdale, E.	Maloney, W. R. N.
Robinson, A.	Crouch, R. A.
Willis, H.	Batchelor, E. L.
Smith, S.	Knox, W.
Fysh, Sir P. O.	Skene, T.
Wilson, J. G.	Frazer, C. E.

Question so resolved in the negative.

Amendment negatived.

Amendment (by Sir WILLIAM LYNE) proposed—

That the item "Miscellaneous . . £7,000." be increased to £9,000.

Mr. WATSON (Bland) [4.6].—I understood the Minister to agree to do what he could to secure a trial shipment of the kind suggested by the honorable member for Parramatta.

Sir WILLIAM LYNE.—No.

Mr. WATSON.—I certainly understood so, or I should have had a few words to say in support of the suggestion of the honorable member for Parramatta, which I regarded as a very proper one.

Mr. BROWN (Canobolas) [4.7].—I wish to know whether the Minister has considered the question of making provision

for a bonus for the encouragement of the cultivation of the date palm?

The CHAIRMAN.—We have passed the stage at which it is possible to include a provision of that kind in the schedule.

Mr. HUTCHISON (Hindmarsh) [4.8].—If the appropriation be increased in the manner proposed, the Minister may see his way to provide for trial shipments such as those suggested by the honorable member for Parramatta. The South Australian Government have arranged to make a trial shipment of eggs, and have undertaken the work not only of grading the eggs, but of selling those rejected, and returning the proceeds to the producers. The shipment is being made with the object of ascertaining whether it is possible to successfully export eggs from the Commonwealth to the old country. The honorable member for Parramatta suggested that a similar course should be adopted with regard to oranges. I think that if his proposal were adopted, it would be a good thing for our producers, and that is the reason why I voted for his amendment.

Amendment agreed to.

Schedule, as amended, agreed to.

Preamble agreed to.

Title agreed to.

Bill reported with amendments.

SUPPLY BILL (No. 2).

Bill returned from Senate without request.

SPECIAL ADJOURNMENT.

Motion (by Mr. DEAKIN) agreed to—

That the House at its rising adjourn until half-past 3 o'clock to-day.

House adjourned at 4.13 a.m. (Thursday).

Senate.

Thursday, 30 August, 1906.

The PRESIDENT took the chair at 3.30 p.m., and read prayers.

EASTERN EXTENSION COMPANY.

Motion (by Senator HIGGS) agreed to—

That there be laid on the table of the Senate a copy of the petition and the names of the signatories thereto, having reference to the Eastern Extension Company; also a copy of the Postmaster-General's reply to the said petition.

PAPER.

Senator PLAYFORD laid upon the table the following paper:—

Form of the United Shoe Machinery Company's lease and licence in reference to the Goodyear Lockstitch Outsole Stitching Machine set.

Motion (by Senator PEARCE) proposed—

That the paper be printed.

Senator PULSFORD (New South Wales) [3.32].—I do not think that it is worth while to waste good money in printing the paper, as it contains nothing of interest or importance.

Question resolved in the affirmative.

SUPPLY BILL (No. 2).

Assent reported.

NAVAL FORCE: TRAINING SHIP.

Senator PEARCE asked the Minister of Defence, *upon notice*—

1. Would not cruisers such as the *Katoomba*, recently on the Australian Station, be suitable for the purpose of training naval reserve and naval cadets?

2. Has the Minister noticed that cruisers of this class, put out of commission by the Admiralty, are being sold in England at a very low figure?

3. Will the Government make application to the Government of the United Kingdom for one of such vessels as a training ship?

Senator PLAYFORD.—The answers to the honorable senator's questions are as follow:—

1. Yes; to a limited extent, if in good condition. The vessels of the *Katoomba* class, however, were eighteen years old, and much worn in service, which it is understood was the principal reason for their disposal.

2. Yes. Also that cruisers of a superior class are being similarly treated.

3. The Government has the matter under consideration.

In reference to the third question, I may inform the honorable senator that the Naval Board is sitting now to advise me upon matters connected with naval defence, and that this particular point is under their consideration, with a view to a recommendation being made.

Senator CLEMONS.—Arising out of the answer, I desire to ask the Minister of Defence when he remitted to the consideration of the Naval Board the subject-matter contained in the third question of Senator Pearce, and generally the subject-matter contained in his questions?

Senator PLAYFORD.—The whole subject connected with Naval Defence was remitted to the Naval Board, I think, about a week or a fortnight ago.

Senator CLEMONS.—Was this specifically mentioned?

Senator PLAYFORD.—No.

Senator CLEMONS.—Still arising out of the answer, I desire to ask a question, because I think that the Minister has not quite understood me. He has just stated to Senator Pearce that in regard to the third question he has asked the Naval Board to deal with the question of the use of obsolete cruisers as training ships.

Senator PLAYFORD.—I did not say so.

Senator PEARCE.—That is what I understood.

Senator PLAYFORD.—What I said was that the question is being considered by the Naval Board.

Senator CLEMONS.—May I ask the Minister to kindly repeat his answer to the third question?

The PRESIDENT.—I understood the Minister to say that he has remitted the whole question to the Naval Board.

Senator PLAYFORD.—I remitted the whole question to the Naval Board, and among other matters which they will consider is that of whether or not it is advisable to have a training ship.

Senator CLEMONS.—Arising out of the answer, I desire to ask the Minister whether he has distinctly asked the Naval Board to consider this specific question—the advisability or possibility of using such vessels as training ships?

Senator PLAYFORD.—No.

Senator CLEMONS.—The honorable senator said he did.

Senator PLAYFORD.—No; I said that I had remitted the whole question to the Naval Board.

Senator CLEMONS.—Will the Minister specifically request the Naval Board to consider the question of the advisability of using such a vessel as the *Katoomba* for the purpose of a training ship in Australasian waters?

Senator PLAYFORD.—If the Board, in its report, should not refer to that question, I shall certainly call their attention to it and ask them for an expression of their opinion, but I think that it will be done as a matter of course.

Senator MCGREGOR.—Arising out of the reply, I wish to ask the Minister of Defence if the *Pyramus* and other vessels belonging to the Australasian Naval Squadron are fit for duty in the event of an emergency arising?

Senator PLAYFORD.—I am not in a position to answer the honorable senator, but I believe that there are only two classes of vessels which can be considered absolutely efficient in naval warfare, namely, armoured cruisers and battleships. I believe that the vessels to which the honorable senator refers are only ordinary cruisers.

POST AND TELEGRAPH DEPARTMENT.

CASE OF MR. D. W. GREEN.

Senator STANFORTH SMITH asked the Minister representing the Minister of Home Affairs, *upon notice*—

Will the Government lay on the table of the Library all papers in connexion with the inquiry held about twelve months ago in the case of Mr. D. W. Green, Acting Postmaster at South Fremantle, including the finding of the Inquiry Board?

Senator KEATING.—The answer to the honorable senator's question is, Yes.

CUSTOMS ACT: ASSESSMENT.

Senator PULSFORD asked the Minister representing the Minister of Trade and Customs, *upon notice*—

1. In how many instances, where the value exceeds £100, have the Customs assessed goods for *ad valorem* duties under the powers given by clause 160 of the Customs Act?

2. What are the dates, values, and description of goods in such instances?

Senator PLAYFORD.—The information will be supplied. It will take some little time to get the information, but I shall take care to supply it to the honorable senator. If, however, I should not, perhaps he will call my attention to the omission, and he will get the information in due course.

TARIFF COMMISSION'S REPORTS.

Senator HIGGS asked the Minister of Defence, *upon notice*—

Whether, in view of an early prorogation of Parliament, the Government propose to deal with any further progress reports from the Tariff Commission this session?

Senator PLAYFORD.—The answer to the honorable senator's question is as follows:—

The Government propose to consider all the progress reports from the Tariff Commission that it proves possible to deal with this session.

Senator CLEMONS.—Arising out of the answer, I have to ask the Minister a further question, because, if I understand him aright, he has not answered the question as to whether the Government propose to deal with any further progress reports. I desire to ask the Minister if his answer means that the Government will submit for the consideration of Parliament any further progress reports? I do not ask whether the Government will consider the reports, because, between the two questions there is an enormous difference. I ask the Minister if he can specifically answer my question?

Senator PLAYFORD.—No, I cannot. I have already answered the question as to whether we intend to consider the reports. If the honorable senator will put a question on the notice-paper, I shall endeavour to get a reply.

Senator HIGGS.—Arising out of the answer, I desire to ask the Minister of Defence if he can give the Senate any idea as to the date upon which the Parliament will be prorogued, if any further reports are submitted to the Government—

The PRESIDENT.—I do not think that that question arises out of the answer. It is a different question altogether.

Senator HIGGS.—The Minister of Defence said that the Government would deal with the progress reports of the Tariff Commission if possible.

Senator PLAYFORD.—That they will consider all the reports.

The PRESIDENT.—Is not an inquiry as to when the prorogation will take place a different question altogether?

Senator HIGGS.—It certainly struck me as an appropriate question, in view of the fact that the Government have expressed a desire to close the session on the 30th September.

The PRESIDENT.—I think that it is a different question altogether.

Senator CLEMONS.—Do I understand from the Minister of Defence that he wants me to give notice of a question, because, if he does, it is too late for me to do so to-day?

Senator PLAYFORD.—I shall raise no objection to the honorable senator being allowed to give notice of a question.

Senator CLEMONS.—I wish to point out to the Minister that there is an enormous difference between the Ministry considering progress reports which the Tariff Commission may send in to them and their submitting such reports to the consideration of Parliament.

Senator HIGGS.—There can be only one construction of the words "deal with" the reports.

Senator CLEMONS.—May I ask the Minister if he will be prepared to tell me to-morrow, without giving notice of a question, if the Government will submit to the consideration of Parliament any further progress reports which may be presented?

Senator PLAYFORD.—I do not think that is a fair question for the honorable senator to ask. I think that it is for the Government to consider when progress reports are sent in whether they ought to ask the Parliament to deal with them. Until they have received progress reports, they are not in a position to express an opinion as to whether they should ask Parliament to deal with them or not. They would only be tying themselves up if they were to do so.

Senator CLEMONS.—I do not wish to tie up the Ministry, nor do I desire the Ministry to tie up the Tariff Commission. The Minister will see—and that is the reason for my question—that if he asks the Tariff Commission to go on sending in reports to the Ministry which will not be used for the purpose—

The PRESIDENT.—I ask the honorable senator not to argue the question.

Senator CLEMONS.—I do not wish to argue the question, but merely to explain the reason why it is being asked.

The PRESIDENT.—The Minister has said that he cannot answer the question.

Senator PLAYFORD.—I cannot answer it.

Senator CLEMONS.—With great respect, sir, the Minister has only said that he cannot answer it now.

The PRESIDENT.—The Minister has said that he cannot answer the question until he has seen the reports.

Senator CLEMONS.—I only ask permission to explain to the Minister the difference in the case of my question.

Senator HIGGS.—The honorable senator might ask the Minister whether the Government want to put upon the Tariff Commission the responsibility of stopping the sending in of further reports.

Senator CLEMONS.—I ask permission to be allowed to point out to the Minister that there is a considerable difference between compelling the Tariff Commission to send in progress reports that Parliament will not consider this session, and sending in reports that it will consider. For that reason, I hope that to-morrow he will answer my question as to whether Parliament will be asked to consider the reports.

The PRESIDENT.—The honorable senator ought not to argue the question. He has asked the Minister a question, and received an answer.

THE GAYUNDAH AND PALUMA.

Senator HIGGS asked the Minister of Defence, *upon notice*—

1. Are the *Gayundah* and the *Paluma* to be sent into dock shortly for repairs?
2. Will those repairs be effected by contract?
3. Will the Minister make it a condition that the contractors shall pay a reasonable wage to those employés engaged in repairing the vessels named?

Senator PLAYFORD.—The answers to the honorable senator's questions are as follows:—

1. Yes, for cleaning and repairs.
2. The cleaning will be carried out by the ships' companies and ordinary dock labour paid for at current dock rates. Any necessary repairs will be carried out by contract.
3. The conditions of contract will be those under which work is usually carried out by the Home Affairs Department, and will contain the minimum wage clause.

COMMERCE ACT REGULATIONS.

Senator MACFARLANE (Tasmania) [3.46].—I move—

That fruits and potatoes be not included among proscribed goods in clause 7, Statutory Rules No. 52, under the Commerce Act.

At a time when a great deal of interest is being shown in the wealthy manufacturers of this country, I think it is not unreasonable that I should ask honorable senators to afford some help to the small producers to enable them to dispose of the products of their labour on the soil. I take this action, not only at the request of the producers, but also because I feel that many of the regulations under the Commerce Act, which were tabled some time ago, will, in operation, have the effect of adding greatly to the expense of the poorer producers. I have here a petition from the Chamber of Commerce, of Hobart, dealing with this question. I was unable to present it to the Senate, because of a

technical informality. It is signed by the President, Vice-President, and Secretary of the Hobart Chamber of Commerce. and it appears that under the Standing Orders of the Senate, where such signatures appear to a petition they must be under seal. It is now impossible for me to comply with that formality, and I take this opportunity of reading the petition. It is as follows:—

We, the Hobart Chamber of Commerce, respectfully beg to enter our protest against certain clauses in the proposed Regulations under the Commerce Act, as given herein, with our reasons for such objections.

Part III. Clause VIII. Section B.—The label or brand shall set out in legible characters a true description of the goods, the word "Australia," and the name of the State in which the goods were made or produced.

We strongly object to have the exports from this State go out under the common derivation of Australian, not only on the principle involved, but also because of the multiplicity of brands that such a regulation will cause. Take the case of apples exported. It will be necessary for the packages to have the registered trade or shipping mark of the exporter, then the variety of the apples, and the contents will have to be specified, followed by the words "Tasmania" and then "Australia"; so that a bushel of New York apples would be branded as follows:—

May.

One bushel apples, New York Pippins.

Tasmania.

Australia.

In the case of manufactured articles, such as jams, the label would have to bear the name of the maker, followed by the variety of the jam itself, and then "Hobart, Tasmania, Australia," which seems to us farcical; but even more important than the above is the principle that Tasmanian manufacturers and exporters object most strenuously to be forced to sell their goods as "Australian," as in several instances it would be the cause of actual monetary loss. Jam manufacturers, who are interested in similar works in New South Wales and Victoria, state positively that jams manufactured under identical conditions in each State sold on the open market in Africa and other places do not command the same price, and that the Tasmanian article at the present time realizes from 2d. to 3d. per dozen more than that manufactured by the same makers under similar conditions in sister States, and which advantage would be jeopardized if all goods have to go forward under one common derivation.

The Chamber would also call your attention to the report of the Conference of Manufacturers and Experts recently held in Sydney in connexion with this Commerce Act, in which it was unanimously agreed that such a practice was undesirable, and we cannot do better than attach hereto copy of the report dealing with this particular clause:—

"Extract.—We cannot agree with the suggestion that, in addition to the State of origin, the

multitude of brands as should be occasioned would cause illegibility in the brands of the cases, while of still more importance is the fact that each State desires to retain, in as large a measure as possible, its own individuality, and are not prepared to ship exports under the common derivation 'Australian.' Trade has been developed for the various products of the different States, and it would be misleading and against the interests of producers if the term 'Australian' becomes general."

These are extracts from reports of experts whom Sir William Lyne called in to advise him on these matters, although, in many cases, he did not subsequently take their advice.

Inspection.—The members of the Sydney Conference previously alluded to also suggested a clause that in the event of any inspector's decision being questioned by the exporter such exporter should have the option of referring the matter in dispute to the Collector of Customs at the port of shipment, and supplemented this clause by the following report:—

Extract.—The reason for this clause is the fact that manufacturers or exporters are not agreeable to have an inspector who may possibly not possess the technical information of a manufacturer or trader in goods to have the final decision as to what was or was not to be exported. Instances may arise where it is purely a matter of opinion as to what should or should not be forwarded, and it is not fair to manufacturers and others who, perhaps at great expense, have put up a certain article for export, to be at the mercy of any individual inspector who might refuse to pass goods submitted. Without reflecting in any way on the general body of inspectors, provision must be made for referring any matter in dispute outside the inspection in question."

That provision has not been included in the regulations.

The excision of such a clause as mentioned above is a very serious matter indeed to the exporting community, and some provision for immediate appeal should be provided, particularly in the export of such articles as apples, where steamers might be in port with just sufficient fruit alongside to carry out contractors' obligations, and which, for trivial reasons, might be rejected by some inspector, in which case the ship would probably have to go away partially empty, and contractors be mulcted to the extent of dead freight thereon. Some provision must be made for an immediate appeal, so that such matters can be fixed up without delay, and the Collector at the port of shipment can easily arrange for expert evidence to be tendered and adjudicated thereon.

Your petitioners therefore pray that the proposed regulation will be amended in such a way as to meet the particular cases referred to herein.

JAMES MURDOCH, President.

W. H. BURGESS, Vice-President.

E. HAWSON, Secretary.

Another petition on the subject from the Fruit Growers' Union of New South Wales

is also presented to the Senate, and in it the petitioners say—

The provisions of the Bill requiring exporters to give notice of the particulars of articles for export, as well as that regarding the inspecting of such articles, will prove most harassing and injurious to the exporters of perishable articles such as fruit, and will also, we believe, be to a great extent unworkable.

There we have the opinions of those who ought to know their own business, and I ask honorable senators to pause before they permit the operation of regulations which will involve additional expense to the producers, and may shut them out of good markets. It is impossible for us to say that nature will produce anything up to a particular standard. These regulations are after all only provisional, and even within the last few days, especially in the case of butter, they have been materially altered by the Minister himself. So that it is no answer to my observations to say that, having been framed, they cannot be altered now. They are, as I have said, only provisional regulations, and, while they may become law in a few days if no protest is made against them, it is not yet, I think, too late to secure necessary alterations.

Senator MCGREGOR.—Does the honorable senator desire to be left free to send bad apples home.

Senator MACFARLANE.—No, I do not; and it is very evident that Senator McGregor is not a producer of apples. When the producer has to send his goods to England, and pay freight on them, he will not knowingly send an article which will not be likely to realize the freight.

Senator FINDLEY.—That may be true with respect to apples, but there is no doubt that adulterated leather is sent home.

Senator MACFARLANE.—That is not a matter which I have taken up. I direct attention to the fact that potatoes are very drastically dealt with under these regulations. Each package is to be labelled with the name of the exporter, a description of the potatoes, a statement that they are free from disease, that they are sound and clean, where they are going, and the name of the exporting State and of Australia. In addition to these requirements, it is provided by the regulations that potatoes must be on the wharf at the place of export one clear day before they are exported.

Senator PLAYFORD.—Where does Tasmania export to? Only to two places outside the Commonwealth—Manila and New

Zealand. The Act does not apply to Inter-State trade.

Senator MACFARLANE. — There is also South Africa. The Minister says that there are no exports within the meaning of the Act between Tasmania and South Australia or the other States.

Senator PLAYFORD.—That the Act does not apply to Inter-State trade.

Senator MACFARLANE. — Under the heading of "Inspection of Exports," Regulation 14 provides that—

Where by the law of any State any goods are required to be inspected and approved by a State authority before export, and the Minister is satisfied that such inspection and approval are as efficient as inspection and marking under these regulations, the Minister may direct that such inspection and approval shall be accepted in lieu of examination and marking under these regulations.

In the case of South Australia and Tasmania there are States regulations dealing with exports to the other States, and it will be in the power of the Minister, under the regulation I have quoted, to prevent exports from one State to another.

Senator PLAYFORD.—Nothing of the sort.

Senator MACFARLANE.—The regulation says so.

Senator PLAYFORD.—No; potatoes are required to be inspected before export, and we accept the certificate of the State officer.

Senator MACFARLANE.—But we are going to work under the local Acts.

Senator PLAYFORD.—No, we are not; we are merely going to use the local inspectors.

Senator MACFARLANE. — Regulation 14 provides that where by the law of any State goods are required to be inspected and approved by a State authority before export, the Minister may direct that such inspection and approval shall be accepted.

Senator PLAYFORD.—The local inspector will see that the fruit or potatoes are sound, and we shall accept his certificate.

Senator MACFARLANE.—I may say that I have had legal advice, and I am assured that my view is the correct one.

Senator FINDLEY.—Does the honorable senator think that the Minister ought not to have that power?

Senator PLAYFORD.—We do not interfere between State and State; this is a matter of export.

Senator MACFARLANE.—But a State law may refer to exports to another State.

Senator PLAYFORD.—We deal only with exports to foreign parts; and if, for instance, there was a law preventing the export of potatoes from South Australia to Victoria, except under certain conditions, we should have no power to interfere.

Senator MACFARLANE.—The present Minister may not interfere, but future Ministers may.

Senator O'KEEFE.—Is there any considerable export of potatoes from Australia?

Senator PLAYFORD.—Only a few tons at a time are exported.

Senator MACFARLANE. — The shipments of potatoes are very precarious. Sometimes large quantities are sent to South Africa or Manilla, and, strange to say, there have been considerable exports recently to New Zealand. Certainly the export of potatoes is not large, and had it not been for these regulations, I should not have raised the point. However, there is another regulation to which I desire to call attention. The potatoes, in addition to being branded in a certain way, and having to remain for twenty-four hours, or one clear day, in a certain place for inspection before export, have to be free from disease and clean.

Senator PLAYFORD.—Why not?

Senator MACFARLANE.—Does the regulation mean that the potatoes have to be washed?

Senator PLAYFORD.—It means that the potatoes must not have a lot of scabs on them. The honorable senator knows what scabby potatoes are.

Senator MACFARLANE.—I am afraid that I do not.

Senator O'KEEFE.—Does the regulation not practically mean that there shall not be an undue quantity of dirt or soil with the potatoes?

Senator MACFARLANE.—I do not know; that is a point for us to consider.

Senator PLAYFORD.—I have found as much as 20 lbs. or 30 lbs. of dirt at the bottom of a bag containing $1\frac{1}{2}$ cwt. of potatoes.

Senator MACFARLANE.—Some clear definition of cleanness ought to be placed in the regulations. It is all very well to say that potatoes for export must be free from dirt, but, coming as they do out of the earth, there must be dirt attached; and, as a matter of fact, potatoes keep all the better on that account. Of course,

there ought not to be any such duty, and the price might be regulated by the quantity in the bag.

Senator O'KEEFE.—Would the inspectors not exercise a discretion in this connexion?

Senator MACFARLANE.—I desire to show the expense which these regulations will entail on producers. The stacking of potatoes for one clear day means what may be a very serious expense. I have received a telegram from Devonport, where potatoes are largely shipped, assuring me that it is perfectly impracticable to stack potatoes in a given place near the steamer for twenty-four hours; and, further, that producers find it impossible to mark each package with the name of the grower and other particulars required. All this will mean an additional expense of, possibly, 5s. per ton, and that, of course, is a very serious matter to producers. I introduce the subject because it is better that the public should know what is being done under the regulations.

Senator MCGREGOR.—Is not the honorable senator crying out before he is hurt?

Senator MACFARLANE.—Unless the regulations are disagreed with, or modified, in the meantime, they will come into operation on the 1st October. My suggestion is that potatoes and fruit should be exempt from these regulations. These are exports, and not imports, so that there is not involved any danger to the health of the people in this country; and, in my opinion, the regulations impose entirely unnecessary expense. The exporter gets his return according to the quality of his produce, and, under the circumstances, I ask the Senate to carefully consider the expert opinions which I have laid before them, and also the resolutions of the Conference of Officials and Trade Representatives held in Sydney. The paper for which I called, and which was laid on the table of the Senate a little time ago, informed us that all the recommendations which had been made to the Minister had been agreed to except two. That, however, is not the case, as is shown by the petition which I read. For instance, in regard to apples, it was recommended that a certain quantity, say 10 per cent., of inferior apples, not deleterious to health, should be allowed for export. Codlin moth, when it has once left the apple, does not any longer affect the fruit, and, in addition to not being deleterious to health, it does not much interfere with the sale. The codlin moth

may prove a serious pest to the fruit; but, unless the disease be largely present, the sale is not prejudiced. There was also the suggestion that—

Notice of intention to export as provided by the Commerce Act, clause 6, may cover the season's export.

That has not been allowed. Then it was suggested that—

In the event of any inspector's decision being questioned by the exporter, the exporter shall have the option of referring the matter in dispute to the Collector of Customs at the port of shipment.

That has not been done. These are recommendations by experts chosen by the Minister himself for their special qualifications, and they ought to have the weight they deserve. Reasons are given for the recommendations, and I hope these will be read most carefully by honorable senators.

Senator PULSFORD (New South Wales) [4.13].—Several times during this week, when a certain Bill was under consideration, the Minister of Defence has told us that it is not desirable to delay legislation until an evil actually arises. This afternoon, therefore, it comes with a little ill grace from the honorable gentleman that he should regard the comparatively small export business in potatoes as a reason for not acceding to the request of Senator Macfarlane.

Senator PLAYFORD.—Why, I offered Senator Macfarlane the chance of bringing the matter forward on a Government day!

Senator PULSFORD.—That is so; but this afternoon the Minister has rather pooh-poohed the suggestion made by Senator Macfarlane, on the ground I have indicated. The potato business, however, may develop, and therefore it is desirable to see that nothing is done to prejudice it. The regulation to which Senator Macfarlane refers is—

The export of the goods enumerated in this regulation shall be prohibited unless there is applied to the goods a trade description in accordance with this Part.

2. The goods to which this regulation applies are—Butter, canned meat, cheese, condensed or concentrated milk, condensed skimmed milk, dried milk—

Senator Macfarlane makes no request in regard to these commodities. Then follows the item "fruit," which he asks shall be exempted. The list is made up of hares, honey, jam, leather, potatoes; and the honorable senator also asks that potatoes shall be exempted. Honorable senators see that the list is a considerable one, and with

that list, as a whole, Senator Macfarlane does not ask the Senate to disagree.

Senator FINDLEY.—He asked that the whole of the exports in Tasmania should be exempted.

Senator PULSFORD.—Only with regard to potatoes and fruit, and he is on very good ground in making that request. Potatoes are a commodity that represent a very small value per ton. Very frequently the price in Tasmania is only £1, £2, or £3 per ton; £4 is a very high price. If the trade is to be delayed while certain formalities are gone through, the shipping expenses are increased appreciably. All that Senator Macfarlane asks is that the trade shall not be interfered with by these regulations. Are there any solid grounds for believing that good can result from this interference in respect of potatoes?

Senator FINDLEY.—Would not that line of reasoning apply to every other class of commodities enumerated?

Senator PULSFORD.—To a very large extent it would. But it may be urged that the regulations with regard to the other commodities do not hamper the trade to a very great extent. It is otherwise in regard to potatoes and fruit. They are not shipped in large quantities by great firms. They represent largely the trade of small dealers. The people of Tasmania urge that the trade of their farmers is likely to be seriously interfered with if these regulations are insisted upon. What is required?

The trade description to be applied in accordance with this Part shall comply with the following provisions :—

- (a) It shall be in the form of a label or brand affixed in a prominent position to the goods or to the coverings contained in the goods; and
- (b) the label or brand shall set out in legible characters a true description of the goods and the name of the country or place in which the goods were made or produced; and in cases where any weight or quantity is set out the label or brand shall specify whether the weight or quantity so set out is gross or net.

Then regulation 8 provides—

(1) The trade description to be applied in accordance with this Part shall comply with the following provisions :—

- (a) It shall be in the form of a label or brand attached or affixed in a prominent position to the goods, or to the coverings containing the goods; and

(b) The label or brand shall set out in legible characters a true description of the goods, the word Australia, and the name of the State in which the goods were made or produced; and

(c) The label or brand shall specify the net weight or quantity of the goods, except in the case of carcasses of meat; provided that in the case of tinned goods, if the net contents fall short of any number of pounds by less than half a pound, the weight may be described as "under" that number of pounds.

(d) The label or brand shall include either the name of the manufacturer or exporter or his registered brand.

There is quite a lot of work to be done in connexion with a very small trade, and Senator Macfarlane suggests that these requirements in regard to the goods mentioned are onerous; that they interfere with trade, and that they are likely to prevent its success. It is an entirely reasonable thing that the trades affected should request that the regulations should not be made to apply to these two items which, unimportant as they are in the trade of Australia as a whole, are yet of very great importance to Tasmania.

Senator PLAYFORD (South Australia—Minister of Defence) [4.20]. — There are only two points with which I have to deal in connexion with fruit and potatoes. Those points are first the alleged unnecessary character of the regulation requiring that the word "Australia" should be branded on packages for export; and, secondly, with regard to the quality of exported fruit or potatoes as the case may be.

Senator CLEMONS.—Is there not another point—the delay in inspection?

Senator PLAYFORD. — That is incidental. If the goods have to be inspected in order to see that the quality is as described there will be of necessity some delay. What we have to consider is whether we shall insist upon the branding and upon the regulation with regard to stating the quality of exports. The Act was passed for the express purpose of providing that when produce was exported from Australia it should be of such a quality as to do credit to us, and that the name of the Commonwealth should be plainly marked upon the goods, so that there should be no deception whatever in regard to them. It requires that there shall be a true description of goods coming into Australia, and that on the other hand, so far as we are concerned, if our people ex-

port to foreign countries they shall place upon their packages such a description as will be faithful and true. I have received a report from the Comptroller of Customs, in which he points out first that the provisions as to fruit are, as a matter of fact, not so stringent as those which were suggested by the representatives of the growers of the States at the Conference held in May last. The growers suggested the adoption of a standard case for export.

Senator MACFARLANE.—I do not think that we object to that.

Senator PLAYFORD.—The growers actually proposed it. In the regulations we have not adopted the suggestion. An objection was made from some other parts of the Commonwealth, and the Minister of Trade and Customs, after looking into the suggestion, thought that it was better not to adopt it. Another suggestion of the Conference was that fruit found to be defective should not be permitted to be exported. The regulations allow that fruit to be exported so long as the trade description correctly describes it as to its soundness. The Minister did not adopt the suggestion of the Conference in that respect. The regulations, therefore, do not prevent the export of apples affected by codlin moth. The consumers in England do not mind if the fruit is a little bit worm-holed. They have some experience of codlin moth, and do not trouble so much about it as we do. The regulations merely require a proper description to be given whatever the fruit may be. The Conference of growers wanted another thing which the regulations do not insist upon, and which would have made the matter still more troublesome. They wanted the apples to be graded. The regulations do not require that they shall be graded. We have considerably reduced the limitations imposed upon the growers. But the regulations do require that goods for export shall be branded with the name of the Commonwealth. What harm is there in that? There is nothing in the regulations that any reasonable man should not agree to. I am a grower of apples, though I very seldom export directly. The rule is that small growers sell their fruit to large exporters. The small man does not find it to be very profitable to export for himself. He cannot very well send a few hundred cases to England. It is a great deal better for him to sell his apples on the local market to one

of the large exporters, who knows how to make the business pay.

Senator FINDLEY.—As a matter of fact the small growers do not export for themselves in Tasmania.

Senator PLAYFORD.—No, they do not. They export through large firms. The memorandum from Dr. Wollaston states—

The only points upon which the recommendations of the Conference differ from the Regulations are as to the use of the word "Australia" in the trade description, and the statement of weights of canned goods. The fruit representatives wished to retain to each State its own individuality. No good reason appears to have been advanced to show that the word "Australia" following after the name of the State in a description can possibly destroy such individuality.

What difficulty is there in a grower marking his goods, "John Jones, Hobart, Tasmania, Australia"? What difficulty is there about putting the word "Australia" on his cases?

Senator MULCAHY. — It looks easy enough, but the difficulty is that thousands of cases have to be marked in a very short time.

Senator PLAYFORD.—The name of the exporter and the name of the State have already to be marked, and it need not take two seconds to add the word "Australia." It can be put on with one dab of the brush.

Senator MULCAHY.—Very little the honorable senator knows about it.

Senator PLAYFORD.—I know quite as much as Senator Mulcahy. The marking is done with a stencil plate and a brush. It does not occupy half-a-second, and the extra word does not make a scintilla of difference, so far as the cost is concerned. I think that we ought to insist that the name of Australia, and not merely the name of a State, shall be placed upon our exports. Then the regulation as to quality is objected to. I think we ought to have it. We have agreed not to interfere in the matter of the size of apples, and not to trouble about a variety of things that the Conference proposed. They wanted, as I have said, to have a standard case adopted for export purposes. The regulations do not require that. Personally, I think that it is a mistake not to do so. We ought to have a standard case so far as fruit is concerned. At present some growers use a case of one size, and some of another, the result being confusion. A case of apples should contain

exactly the ordinary standard bushel. It is impossible to describe a bushel of apples by weight, because one kind is heavy and another kind is light. In the case of the stone pippin perhaps 50 lbs. go to the bushel, whereas codlin apples may not run to more than 40 lbs. to the bushel. Fruit should be sold by measurement, and a standard case is required.

Senator CLEMONS.—As to weight.

Senator PLAYFORD.—As to measurement, and not as to weight.

Senator MACFARLANE.—Weight or measurement.

Senator PLAYFORD.—If a fruit-grower has a standard bushel case, it will hold exactly a bushel. However, the fruit-growers in Tasmania did not trouble about the question of having a standard case. They can, if they like, continue to use their old stringy-bark cases, or use the cases which are made of pine and other woods in other parts of Australia, and which certainly are far more sightly. They can do exactly what they like in that regard. There is no particular standard as to size.

Senator CLEMONS.—Would the Minister allow different weights to be used, provided that the measurements were the same?

Senator PLAYFORD.—Undoubtedly. A bushel is always a bushel, and it does not mean weight, but measurement.

Senator CLEMONS.—Apples are sold by the pound very often.

Senator PLAYFORD.—They are sold by the pound retail, but by the bushel or half-bushel case wholesale. A bushel is the recognised measurement for apples. A bushel case, no matter what description of apple it may contain, is sold by measurement, and that is the proper system to adopt.

Senator MACFARLANE.—By the case, and not by the bushel.

Senator PLAYFORD.—I do not care whether the growers use a half-bushel case or a bushel case, but certainly they should use a standard case so that every one may know that it contains a certain measurement of apples. Then the fruit exporters recommend that—

Fruit for export found to be affected by any of the following pests shall be deemed not fit for export :—

Fruit fly, Australian (*Teuhtritis Tryoni*).

Fruit fly, European (*Halterophora Capitata*).

San Jose scale (*Aspidiotus perniciosus*).

We have not included that recommendation in the regulation. Perhaps it ought to have been done in some cases, but still it has

not been done. We allow a man, if he likes, to export apples with even these pests upon them, and leave it to the persons to whom they are exported to protect themselves against the introduction of the pests.

Senator MACFARLANE.—No; there must be some freedom from disease.

Senator PLAYFORD.—We have left the apple-grower with as much freedom as can be conceived. We have not troubled him, except in two particulars. We have only required him to add the word "Australian" to his ordinary brand, and to describe truthfully the quality of the fruit in his case. He may pack the biggest rubbish in his case, if he is foolish enough to do so, so long as he declares that it is rubbish.

Senator MULCAHY.—Under the Act, a man cannot export rubbish.

Senator PLAYFORD.—Perhaps not.

Senator MACFARLANE.—The exporter is required to state that the fruit is sound and clean.

Senator PLAYFORD.—The regulation does not say that the fruit shall not be unsound. We do not restrict the exporter at all. He can send away what he likes, but we require him to be honest and truthful, and to declare exactly what he is exporting.

Senator CLEMONS.—Is the Minister quite sure that a man can export as much codlin moth as he likes? Is that being allowed?

Senator PLAYFORD.—I think so. I do not think that there is any provision in the regulation to prevent that being done.

Senator CLEMONS.—I think it is a great blunder.

Senator PLAYFORD.—I am inclined to think that if I had been called upon to frame the regulations, they would have been far more stringent than they are. It appears to me that the Minister of Trade and Customs has met the fruit-growers in every conceivable direction that he could so as not to put them to unnecessary expense or trouble.

Senator HENDERSON.—We shall watch the South Australian apples now when they come to Western Australia.

Senator PLAYFORD.—We have no codlin moth in South Australia. When I inquired in Perth how it was that Western Australia stopped the introduction of our apples, I was told that it was done on the ground that in South Australia we had

codlin moth, but, as a matter of fact, we had not, although there was codlin moth to be seen all round Perth at the time. I made that discovery when I went into a garden with a gardener named Newman. In Western Australia they refused to admit the fact for some years. Sir John Forrest told me that there was no codlin moth in the State, and that, therefore, South Australian apples were excluded. I told him that there had been codlin moth in Western Australia all the time, and at last that fact had to be acknowledged.

Senator HENDERSON.—It cannot be found in Western Australia except in apples from Tasmania or South Australia.

Senator PLAYFORD.—In regard to the export of potatoes, all we require is that they shall have a label attached to them bearing in legible characters a brand of which the word "Australia" shall form part, and which shall specify the net weight or quantity. We do not say that a man shall not export even frost-bitten potatoes. We only say that he shall give a truthful description of quality and surely we cannot ask him to do less when he is exporting to foreign parts. If men export potatoes of excellent quality, and the shipment arrives at its destination in good condition, very likely they will find a market, but if they send away potatoes of inferior quality, they will get a bad name, with the result that they will not be able to build up a market. Our object is to place all the producers on the same footing, so that when a trade is built up by a prudent shipper in, say, Manila, it shall not be destroyed by a man who would not scruple to ship there a quantity of inferior produce. I ask the Senate not to agree to the motion.

Senator MULCAHY (Tasmania) [4.40].—At the present time the motion concerns Tasmania in a larger degree than any other State, but, if what I hear be true, in the future it will also concern other States, perhaps in as large a degree as it now concerns Tasmania.

Senator PEARCE.—Last year we exported apples from Western Australia.

Senator MULCAHY.—At the present time Tasmania is deserving of special consideration because, after very great vicissitudes, the export of fruit has grown to a very large and important trade. Very serious troubles were encountered in establishing the trade. It is one which

deserves every consideration at the hands of the Parliament, and requires every advantageous economic condition to enable it to be carried on at a profit.

Senator PLAYFORD.—In Tasmania, they would have built up a far better trade, and obtained higher prices, if they had had a system of inspection as in South Australia. South Australian apples bring a better price than do Tasmanian apples.

Senator MULCAHY.—The Minister is only stating what most of us know already. Some years ago in Tasmania we tried to introduce a system of inspection, but it was surrounded with very great difficulties which he apparently does not quite appreciate. Tasmania is the largest apple-producing State, but it is the most distant from its principal market. It is also the latest in season. In Victoria apples are ready for picking earlier than in Tasmania; in South Australia they are ready earlier than in Victoria, and in Western Australia they are still earlier. Victoria, South Australia, and Western Australia enjoy, too, a great advantage in their comparative nearness to the old country.

Senator MCGREGOR.—And the Tasmanian growers want to make up the difference by sending bad stuff away.

Senator MULCAHY.—No, and I trust that the honorable senator will not purpose to misrepresent me when I am desiring to put the case fairly. In Tasmania we have no desire to export bad stuff. The question is, what is bad stuff? What one person may characterize as bad stuff may be perfectly good stuff in the judgment of another person, as experience has demonstrated. Tasmania is behind in the season, and in the period of transport, and at the same time it is the largest apple-producing State. We are here, I take it, as Australians, and not merely as the representatives of our respective States. It is our duty to try to foster, especially in Tasmania, which has many other disadvantages to compete with, any producing interest which is making wealth in a proper way, and that is by exporting surplus products. From Tasmania we have a longer distance to send our fruit, and, so far as the Home trade is concerned, it has to be concentrated in six or seven weeks. In that short space we have to ship all the apples we can export in order to get a market there.

Senator O'KEEFE.—Does not the fact that Tasmania is behind in season account

for its apples not securing as good a price as earlier apples?

Senator MULCAHY.—I am not discussing the question of prices now, but pointing out that we ought to do everything in our power to develop production, and export rather than do anything which would tend to defeat that purpose. I believe that every honorable senator is animated by that desire. A large boat comes alongside the pier at Hobart on a Friday, and on the following day at noon she has to leave.

Senator PLAYFORD.—But the shippers would know for a week or two before that she would come in on that day.

Senator MULCAHY.—Apparently the Minister is forgetting that time is the essence of the contract, and that the time between the plucking of the fruit, and the stowing of the cases in the ship, should be as brief as possible, owing to the disadvantageous conditions under which Tasmania labours.

Senator PLAYFORD.—That is one of the Tasmanians' great mistakes. In South Australia we find that it is a great deal better to pick the apples, and let them sweat a little.

Senator MULCAHY.—In South Australia the conditions are altogether different from those in Tasmania. Surely the Minister knows that the time between the gathering of the fruit and the stowing of the case in the ship's hold should be as brief as possible, even in the case of South Australian fruit.

Senator PEARCE.—That is not so in the case of South Australia.

Senator MULCAHY.—At any rate, in Tasmania it is essential. A mail-boat or a specially-chartered steamer between 5,000 and 12,000 tons comes alongside the pier at Hobart on a Friday. Time is the essence of the contract with her. She requires to make a quick despatch, and in order to do so must employ all the labour available, because it may be necessary to handle and put on board anything from 10,000 to 50,000 cases of fruit.

Senator PLAYFORD.—That can be done very quickly if the fruit is there; and it ought to be there when the exporters know that the ship is coming in.

Senator MULCAHY.—The fruit must be collected very rapidly, and it is necessary that it should receive as little handling as possible, and be placed on the London market with the utmost despatch. Will these regulations help or hinder that?

That is the whole question—will these regulations help or hinder the export of fruit from Australia?

Senator PEARCE.—The branding of the cases should not be a difficulty since they can be branded before the fruit is put into them.

Senator MULCAHY.—It is easy to talk in the flippant way in which the Minister spoke of the branding of cases. In the honorable senator's view the branding of all cases with the word "Australia" is a mere nothing. But I point out that all these brands have to be stencilled on, and the operation must take up a great deal of time. It cannot be done in half a second, as the honorable senator suggested. According to the regulations, the case must be branded with a description of the apples it contains, the weight or quantity, the State of export, and also the word "Australia." I presume that it would not be sufficient under these regulations to brand a case with the letter "T" of the contraction "Tas." in lieu of the word "Tasmania." I suppose that it will be necessary to brand the cases with the full words "Tasmania" and "Australia." We have had submitted to the Senate the views of the Hobart Chamber of Commerce on this question, and I say that the views of the men who are interested in looking after the conditions of commerce in Tasmania or any of the other States are entitled to be treated with every respect by the members of the Senate. The members of the Hobart Chamber of Commerce show that, under these regulations, in the case of a shipment of, say, 50,000 cases of apples, every case must bear, in addition to the mark of the exporter, such a statement as "one bushel apples," "New York Pippins," or "Scarlet Permaines" as the case may be, and then the full names "Tasmania" and "Australia." Some honorable senators may think that that is no great task to impose upon exporters, but where the export trade has developed to enormous dimensions, it is a very serious thing. The apple industry is one in which children have to be engaged, the whole of the children of a family and of a neighbourhood may be employed in connexion with the picking and packing of apples for export, and, in the circumstances under which they are exported, a great deal of work has to be pressed into a few hours. Instead of helping the exporters, as we should do, the Government are proposing the imposition of irritating conditions of a

most embarrassing kind. I give every credit to the Minister of Trade and Customs, and admit that it is the intention also of the Act that the products of Australia exported shall be such as shall earn a good reputation for Australian exports generally. That is very desirable and proper, but we should not forget that the exporters have their own responsibilities. In Tasmania, this trade has grown enormously. It was at first regarded as something chimerical to propose the export of fruit from Tasmania to Great Britain, and, as a matter of fact, the freight at first amounted to 200 per cent. on the value of the article, apart from handling charges. By degrees, the export trade has been developed. It has been found that we can deal with this product fairly well, and the present trade is a very large one. On the subject of the difficulty of deciding what is good and what is bad fruit, I give honorable senators an illustration from practical experience. Some time ago, in Tasmania without legislating on the subject, we instituted a kind of voluntary inspection of fruit for export. An inspector reported that a certain shipment brought forward was unfit for export, and would damage the whole of the cargo with which it was desired that it should be sent Home. The exporter, a man named Wright, said that he would take all the responsibility as he knew the English market. The inspector probably had somewhat narrow views upon the question, and regarded Mr. Wright's shipment as unfit for export, on the ground that the apples he desired to send away were too small. The cargo taken away at the time included some of the finest brands of apples exported from Tasmania, and one little lot of about 200 cases that fetched the highest price in the English market, was the shipment objected to by the inspector. There may, therefore, be differences of opinion as to whether exports are good or bad.

Senator PLAYFORD.—We should not interfere with a man in such circumstances. He could export his apples in just the same way as was done then.

Senator MULCAHY.—We are being confronted by these declarations by Ministers as to what they intend to do. I give Sir William Lyne every credit for not desiring to embarrass the export of Australian products in any way, but we have to take the law as it stands. The law should be one which can be administered according to its letter and spirit, and while the present Min-

ister of Trade and Customs may declare that he is prepared to administer this law leniently and liberally, he may be succeeded by some one actuated by narrower motives or provincial in his views, and who may administer the law strictly. The matter is one of the very greatest importance to Tasmania. Senator Macfarlane asks honorable senators to disagree with these particular regulations, and if they should do so, there is nothing to prevent the Minister of Trade and Customs bringing down improved regulations to-morrow if he pleases.

Senator PLAYFORD.—They would be a good deal more severe than those which are now objected to.

Senator MULCAHY.—That would savour of vindictiveness. Although Sir William Lyne may occasionally make some disparaging references to his native land, I do not think he would display a vindictive spirit in dealing with Tasmanian exporters. All that is asked is that honorable senators shall express their dissent from these regulations.

Senator PLAYFORD.—Which are very mild.

Senator MULCAHY.—It is those who wear the shoe that feel the pinch. The objection to these regulations has come from the Hobart Chamber of Commerce, which is composed of men who know all about the fruit export trade, and their conclusions on the subject are entitled to every respect. I hope that the Senate will agree to Senator Macfarlane's motion, not in any sense as a rebuff to the Minister, but in order that these regulations may be again considered by him, so that others may be framed which will fit Tasmanian conditions better than those to which objection is taken.

Senator DOBSON (Tasmania) [4.53].—When the Commerce Bill was before the Senate, I remember that I impressed upon honorable senators opposite the necessity of exempting fruit and potatoes from its provisions. There is all the difference in the world between the export of fruit and potatoes and the export of articles like butter, and other goods which can be adulterated, and the adulteration of which can be discovered only after analysis. I pointed out that in the case of potatoes a purchaser opens a bag and looks at its contents. It is not necessary that they should be certified to as being sound and clean, because he can see whether they are sound and clean for himself. In the same way at Covent Garden an

intending purchaser of apples can have the top knocked off one or of fifty cases before he buys them, and the article is then plainly before him. Although I am quite sure that our honorable friends opposite desire to do nothing to discourage our export trade, I am quite certain that that will be the effect of these regulations, because they will put obstacles in its way. From some remarks which have fallen from him, I think that the Minister does not quite understand the difficulty of the position in which Tasmanian exporters are placed with regard to the export of apples and potatoes. We export from 300,000 to 400,000 cases of apples in a season. The Minister says that the apples will be on the wharf waiting to be shipped. But in very many cases that will not be so. Sometimes Jones and Company, who manage the greater part of the export business in Hobart, have arranged for the shipment of so many cases of Cleopatras, or of Adams Permain apples, and it is found that at the time they should be shipped they are not quite matured. Jones and Company may receive a wire from the grower, to the effect, "Adams Permain not fit for shipment for another week," and they then have to telegraph to some other district such as that of New Norfolk, which is not so moist as is the Huon district, to send down, perhaps, 500 cases of apples to take their place, on the very morning that the ship is to sail. The apples have then to be brought to the wharf and taken on board by the big steamer, which may be delayed an hour or two, in order to receive them. Does not the Minister see how difficult it would be in such a case to comply with the regulation requiring all these brands to be put on the cases? What I ask the honorable senator to do is to prevent these regulations becoming law, until he has made inquiries from experts as to the cost of carrying them out. How are these lengthy brands to be put on 500 or 1,000 bags of potatoes? I never saw any one try to brand potatoes. I have seen woolpacks branded, but they present a surface almost as firm as the side of a box.

Senator PLAYFORD.—How is a bag of flour branded?

Senator DOBSON.—It presents a much more even surface than does a bag of potatoes. I ask the Minister in justice to the representations of the Hobart Chamber of Commerce, and of men who export more apples, than are exported from any other

State in the Commonwealth, and who have pioneered and created the English market for Australian fruit, not to allow the regulations with respect to fruit and potatoes to become law until he has ascertained by reliable evidence what the cost of carrying them into effect is going to be. I think that is a reasonable request, and I hope it will be acceded to. Owing to bad weather or floods, growers may not be able to supply the potatoes they have undertaken to supply, and it may be necessary for the shipper to telegraph to Burnie or to Devonport at the last moment, to know whether 500 bags of potatoes can be obtained from some other source to complete a shipment.

Senator MULCAHY.—This does not affect the interchange of products between the States.

Senator DOBSON.—I am aware that it does not, but we ship potatoes to some places outside of the State, and I hope we shall do so to a greater extent in the future. As Senator Mulcahy has said, instead of encouraging our exporters the action taken is calculated to discourage them.

Senator TURLEY.—Will potatoes be shipped to South Africa from Tasmania in bags?

Senator DOBSON.—Potatoes are shipped in bags now.

Senator TURLEY.—There will not be one shipment of potatoes in bags.

Senator DOBSON.—They may have to be shipped in boxes. I think that Senators Macfarlane and Mulcahy have made out a good case, and in deference to the representations of the Hobart Chamber of Commerce the Minister should take every precaution to ascertain the cost which will be involved under these regulations, and should obtain the opinion of experts on the subject before allowing them to become law.

Senator Sir RICHARD BAKER (South Australia) [4.58].—I should like to say a word or two on this matter, because I have some practical experience in the shipping of apples. I venture to suggest that the Minister of Defence does not know very much about that subject. The honorable senator has made one or two statements which, I think, justify me in saying that. First of all he stated by interjection that we get a better price for our South Australian apples, because there is inspection of the export in that State. As a matter of fact, there is no inspection of the export of South Australian apples.

Senator Sir RICHARD BAKER.—I certainly understood the honorable senator to say so.

Senator DOBSON.—The Minister said so by interjection distinctly.

Senator PLAYFORD.—What I said, by way of interjection, was that if the Tasmanian people had inspection they would very likely get a better price for their apples.

Senator Sir RICHARD BAKER.—The Minister certainly made some statement with respect to South Australia in this connexion. However, the fact is that there is no inspection of the export of apples in South Australia. I obtained a letter from the manager of the Export Department, in which he stated that out of 70,000 cases shipped only 13,000 cases were inspected, and I gave that information to Senator Macfarlane. The reason that those thirteen cases were inspected was simply that they were being shipped through the State Export Department. Another statement of Senator Playford was that apples are not shipped in small quantities; but, as a matter of fact, I myself have frequently shipped twenty cases, and, last season, as few as ten cases, at a time. There is no difficulty or trouble about shipping a small number of cases.

Senator PLAYFORD.—It is not usual.

Senator Sir RICHARD BAKER.—If honorable senators imagine that firms who ship 20,000 or 30,000 cases always ship their own apples they are quite mistaken. In South Australia one of the largest shipping firms, Messrs. George Wills and Co.; who often export 20,000 cases, never ship any of their own apples; and only a little while ago I was speaking to another exporter in a large way of business, who has, during the last two or three years, shipped annually, on the average, 20,000 cases, nearly all of which, however, were from small growers, for whom he merely acted as agent. This shipper told me that only on rare occasions did he purchase apples to fill up the space for freight he had engaged, and never when he could avoid doing so. I do not know what is the case in Tasmania, but I can say that in South Australia the great bulk of the apples shipped are from small growers; and I ask my friends of the Labour Party not to play into the hands of the middlemen by adopting regulations which will undoubtedly

that the consumer and the producer should be brought as nearly together as possible—that the middlemen should not be unduly helped. The Minister of Defence alluded to the suggestions made by representatives of the apple trade; but it must be remembered that all those representatives were middlemen.

Senator PLAYFORD. — Is Mr. Laver a middleman?

Senator Sir RICHARD BAKER.—Yes.

Senator PLAYFORD.—He is nothing of the sort; he is a gardener and grower.

Senator Sir RICHARD BAKER.—He is a grower and a middleman as well. What I say is that none of the small producers were represented on that occasion.

Senator KEATING.—The argument of Senator Baker could be used against Chambers of Commerce, which consist of middlemen.

Senator Sir RICHARD BAKER.—I am speaking of the shipment of apples, of which I have had personal experience; and I emphatically assert that these regulations unduly favour and help the middlemen to the detriment of the primary producer, who by these regulations is asked to place no fewer than eight different brands on the cases for export. To begin with, the intending exporter has to place "apples" on the case, in order to describe the contents. Then he has to show on the case the net weight; though why there is this regulation I cannot conceive, in view of the declaration just made by Senator Playford, that apples should be sold not by the weight, but by the bushel. The third inscription which has to be placed on the case is the name of the State, followed by the word "Australia." When Sir William Lyne was in South Australia a deputation waited upon him with a request that "South Australia" should be considered sufficient, in view of the fact that these words combine both State and Commonwealth. Sir William Lyne promised to give the matter consideration; but, so far as I know, he has not done so—certainly the regulations do not show that the request has been favorably considered. Then, in addition, the producer must place "sound" or "unsound" on the case. Now, who on earth would be such a fool as to place "unsound" on cases of apples which he was exporting? Undoubtedly, an

exporter would inscribe the word "sound"; but I can see no necessity for this regulation.

Senator PLAYFORD.—The producer has not to inscribe "sound" or "unsound," but has to state the condition of the apple.

Senator Sir RICHARD BAKER.—In what way could a producer describe the condition without the use of either of those words? According to regulation 8—

In the case of fruit and potatoes, the trade description shall specify their condition as to soundness.

Senator PLAYFORD.—Yes, "their condition as to soundness."

Senator Sir RICHARD BAKER.—What description could a producer give except "sound" or "unsound"?

Senator MULCAHY.—If Senator Baker looks at page 6 of the regulations he will see that the trade description must be given by declaration.

Senator Sir RICHARD BAKER.—I shall deal with that point by-and-by. For his own protection, the producer has to place on the case a description of the apples, showing their grade; because it is no good exporting apples unless they have been carefully selected, graded, and packed.

Senator PLAYFORD.—There is nothing about grading in the regulations.

Senator Sir RICHARD BAKER. — I know that. But the producer has to give this information for his own protection—in order to get a fair price. If an exporter sends apples which have been carefully selected, graded, and packed, and hits a good market, he may think himself lucky if he averages 12s. a case; but I may point out that the expense of buying cases, packing, shipping, and so forth, comes to very nearly 8s. Under these circumstances, is it reasonable to suppose that a man would export apples which were inferior, when, to do so, would be only to cover himself with loss? Even with the greatest care, apples sometimes deteriorate on the voyage to England, Germany, or elsewhere, in which case they fetch a much lower price than 12s., and heavy loss is incurred. Next, the producer has to send the apples down to some place for examination. That may seem a small matter to honorable senators generally, but it is by no means a small matter to the exporter. If the importer is getting a profit of only 1s. or 2s. per case, and he has to incur

the extra expense of storing them at some place for inspection, that profit disappears. Some time ago, I endeavoured to ship apples to Broken Hill, and I found that the New South Wales authorities, on the plea that there is codlin moth in South Australia, and none at Broken Hill, required the cases to be examined. What harm codlin moth would do at Broken Hill I do not know, but there is the regulation. When I communicated with the authorities, I was told that if inspectors were sent to my place to carry out the inspection, I would be charged two or three guineas. I pointed out that I did not expect to get more than a profit of 1s. or 1s. 6d. per case, and that, under the circumstances, I could not afford to pay three guineas for inspection. I was then informed that I might send my apples down to a store in town, where, on giving two days' notice, I could have them inspected; but that plan would have run away with still more money. To middlemen and exporters in a large way of business such a regulation is not a serious matter, because they have their own stores in town, and when 500 or 1,000 cases are inspected at once, the cost per case is not large. But in the case of an exporter in a small way, who intends to ship at the outside, say, 50 cases, such arrangements mean ruin; and, in the face of the difficulties presented, I gave up that branch of the business. I do not say that similar results will happen in every case; but the expense of storing the apples at some place for inspection will be found to be prohibitive to many small growers, who will be forced to sell to the middlemen; and I am sure that is not an effect which either honorable senators or the Government desire. Further, the producer has to make a declaration as to the soundness or unsoundness of the fruit. I do not know whether honorable senators have considered this aspect of the case; but I repeat that all these obstacles play into the hands of the middlemen. I say nothing about potatoes, because on that point I yield to Senator Playford's superior knowledge. As to apples, however, I can speak with authority, whereas I know that Senator Playford has not had any experience, lately at all events, in the exportation of apples.

Senator MACFARLANE (Tasmania) [5.10].—I urge upon the Senate the importance of assisting the poor producer. By our legislation we have materially

helped large manufacturers, and we ought to do all we possibly can for those engaged in primary production. So far from increasing the expenses in the export business, we ought to keep them down to their lowest limit, and on this ground I ask honorable senators, before it is too late, to adopt the motion I have proposed.

Question put. The Senate divided.

Ayes	11
Noes	15

Majority	4
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AYES.

Baker, Sir R. C.	O'Keefe, D. J.
Clemons, J. S.	Pulsford, E.
Dobson, H.	Smith, M. S. C.
Drake, J. G.	Walker, J. T.
Millen, E. D.	<i>Teller:</i>
Mulcahy, E.	Macfarlane, J.

NOES.

Croft, J. W.	Pearce, G. F.
de Largie, H.	Playford, T.
Findley, E.	Story, W. H.
Givens, T.	Styles, J.
Guthrie, R. S.	Trenwith, W. A.
Higgs, W. G.	Turley, H.
Keating, J. H.	<i>Teller:</i>
McGregor, G.	Henderson, G.

PAIRS.

Gould, A. J.	Stewart, J. C.
Neild, J. C.	Dawson, A.

Question so resolved in the negative.

PAPER.

Senator KEATING laid upon the table the following paper:—

Copy of an agreement between the Governments of New Zealand and of the Commonwealth for the establishment of reciprocal Customs Tariff relations between the two countries, together with a copy of a schedule of proposed alterations in the Commonwealth Customs Tariff of 1902 designed to give effect to the said agreement.

PAPUA BILL.

SECOND READING.

Senator STEWART (Queensland) [5.16].
—I move—

That the Bill be now read a second time.

I have taken the unusual course, for a private senator, of introducing this Bill, because I have come to the conclusion that the Government either has not the time, or, as is more probable, has not the inclination, to deal with the question during the present session. My object in introducing the Bill is to remove, if possible, a blot

from the Constitution which the Federal Parliament has conferred upon Papua, that blot being the establishment of a nominee Legislative Council, instead of an elective body. It is a reflection upon the Commonwealth that, itself possessing probably the freest Constitution in the world, it should, in granting a Constitution to this Territory, revert to the old conservative idea of a nominee Legislative Council. I wish to give honorable senators an opportunity to remedy that mistake. The Constitution passed by this Parliament recognises the necessity of the white people in Papua being represented on the Legislative Council. Section 29 of the Papua Act says that—

The Legislative Council shall consist of the Lieutenant-Governor and of the members of the Executive Council, together with such non-official members as the Governor-General appoints under the seal of the Commonwealth, or as the Lieutenant-Governor, in pursuance of instructions from the Governor-General, appoints under the public seal of the Territory.

Sub-section 3 of section 29 provides that—

So long as the white resident population is less than 2,000, the number of non-official members shall be three; but when the white resident population is 2,000 or more, an additional non-official member shall be appointed for each 1,000 of such population in excess of 1,000.

But, instead of giving the white residents any voice in the choice of their representatives, their appointment has been left practically in the hands of the Governor-General—which practically means that the three non-official members will be the nominees of the Lieutenant-Governor of Papua. I believe that three gentlemen have been nominated. I do not know who they are, nor even what their names are. They may be fairly representative of the people, or they may not. That is all a matter of chance. But if the measure which I have introduced is passed, the white residents of Papua, male and female, will have an opportunity to place the men of their choice upon the Council. I suppose I am correct in assuming that every member of the Senate is a democrat. If we are to have the white people of Papua represented in the Legislative Council, it is much better that their representatives should be chosen directly by themselves than indirectly by the Lieutenant-Governor and the Governor-General. Here, perhaps, I may quote a sentence from the speech of Senator Symon, when moving the second

reading of the Bill conferring the Constitution upon the Possession. He said—

This is the first occasion, so far as I am aware, on which a pure democracy, such as exists under our Commonwealth Constitution, has had an opportunity to show how it can colonize and govern a Dependency.

The Commonwealth being a "pure democracy," it might have been thought that we should pass on our purity, so to speak, to our offspring. But we have not. We have in this case — inadvertently, perhaps — passed on to them the old style of conservative-nominee Council system, which so far as I have been able to discover, has never worked effectively in any Colony.

Senator MULCAHY.—It has worked very well for a time.

Senator STEWART.—I am not sure of that. For a very long time Western Australia was governed by a nominee Council, and no progress was made. As a matter of fact, the beginning of the progress of Western Australia was almost coincident with the inception of responsible government, if I am not mistaken.

Senator TURLEY.—Coincident with the discovery of gold.

Senator STEWART.—That may have had something to do with the inception of responsible government, because we know that, under the old autocracy, mere prospectors were looked upon as being in the same category as dingoes and foxes. Instead of their being encouraged upon the runs of the squatters, they were very often hunted off. But we need not pursue that aspect of the question. We are, as Senator Symon said, the representatives of a pure democracy; and, in giving a Constitution to our first Dependency, we should pass on to it the rights and privileges that we ourselves possess. I do not know that it is necessary that I should give any facts with regard to Papua. According to the report furnished to Parliament by Mr. Atlee Hunt, there were, when he was there, 573 Europeans there, of whom 170 were females. They were engaged in mining, trading, agriculture, and timber-getting. A very fair proportion of them are Government officials and missionaries. Some of the miners told Mr. Atlee Hunt that proper consideration was not given by the administrative authorities to their representations. Others seemed to be quite satisfied without having direct representation on the Legislative Council. But it is not a matter of whether they are satisfied or dissatisfied. It should be a question of whether a Parlia-

ment, constituted as this Parliament is, ought to pass on to our Dependency a Constitution which we should never have accepted for ourselves. I hope that the second reading of the Bill will be agreed to to-day, because not much time is left during the present session to get it through the Senate in time to give another place a chance of passing it.

Motion (by Senator PLAYFORD) proposed—

That the debate be adjourned.

Senator STEWART.—This is merely an attempt to shelve the issue.

Senator GIVENS. — Every one knows what it means.

Senator MILLEN.—We ought to have a little time to consider the subject.

Question—That the debate be adjourned—put. The Senate divided.

Ayes	...	...	...	15
Noes	...	...	...	9
				—
Majority	...	...	...	6

AYES.

Baker, Sir R. C.	Playford, T.
Clemons, J. S.	Pulsford, E.
Drake, J. G.	Smith, M. S. C.
Keating, J. H.	Styles, J.
Macfarlane, J.	Turley, H.
Millen, E. D.	Walker, J. T.
Mulcahy, E.	<i>Teller:</i>
O'Keefe, D. J.	Best, R. W.

NOES.

Croft, J. W.	Higgs, W. G.
de Largie, H.	McGregor, G.
Givens, T.	Pearce, G. F.
Guthrie, R. S.	<i>Teller:</i>
Henderson, G.	Stewart, J. C.

Question so resolved in the affirmative.

Motion agreed to; debate adjourned.

CADET SYSTEM.

Debate resumed from 9th August (*vide* page 2548) on motion by Senator DOBSON—

That the Senate while recognising that the Government has done good work in establishing a uniform scheme for the training of cadets, regrets that only about one-tenth of our youth can now take advantage of such scheme, and is of opinion that Ministers should amend the Defence Act and provide for a universal system of gymnastics, military drill, and rifle practice, to be applied to all boys and youths in the Commonwealth up to the age of 18 years, such scheme being urgently required—

(a) To prevent the physical deterioration of our youth.

(b) To teach them loyalty and patriotism, and give them such lessons in discipline and obedience as will develop and improve the moral side of their nature; and

(c) To teach them how to defend their country and thus probably obviate the necessity of applying a scheme of universal military training to the manhood of the Commonwealth, or greatly lessen the tax such a scheme would entail upon the revenue of the Commonwealth and the time of its citizens if such a scheme should hereafter prove to be necessary.

Senator O'KEEFE (Tasmania) [5.32].—I have very few words to say in support of the motion, as I think that Senator Dobson has made out a very fair case. I am very pleased to notice that the Minister of Defence has paid some attention to the question of the training of cadets. He has given us an assurance that extra attention will be paid to the subject, that the number of cadets will be increased, and that, if possible, the movement will be further developed. In these circumstances, I cannot understand why he is not able to support the motion. I do not think that any one will deny that the application of a universal system of gymnastics, military drill, and rifle practice to all boys up to the age of eighteen years would, to some extent, have the effect of preventing the physical deterioration of our youth, teaching them loyalty and patriotism, and giving them such lessons in discipline and obedience as would develop and improve the moral side of their nature. I take the reference to teaching the boys "loyalty and patriotism" to mean patriotism to their native country, and also to Australia as part of the British Empire. If the boys are taught how to defend their country, it may obviate the necessity of adopting a system of universal military training, and also greatly lessen the cost which, if it were rendered necessary hereafter, the adoption of such a scheme would entail upon the Commonwealth. I believe that the time is rapidly coming when almost the whole of the people of Australia will favour the adoption of some kind of universal training—not necessarily compulsory service or conscription, which is repulsive to the ears of some persons—not only for the youth, but for the manhood of Australia, so that they shall be able to supply a citizen soldiery whenever it may be required. If the basis of a citizen soldiery can be secured by the passing of the motion, as

I believe it can, I think that the Senate will do very well indeed to pass it. It will have my hearty support.

Debate (on motion by Senator BEST), adjourned.

CANTEEN BILL.

SECOND READING.

Debate resumed from 23rd August (*vide* page 3284), on motion by Senator PULSFORD—

That the Bill be now read a second time.

Senator PEARCE (Western Australia) [5.35].—It is my intention to support the second reading of the Bill, but not, I confess, with very great enthusiasm. The only ground on which it will receive my vote is that the abolition of the canteen would lessen the opportunities for drinking. That seems to me to be the only virtue of the Bill. It is said that if the canteen were abolished, men would go outside to drink. The American quotations which have been cited refer to men going outside the canteen and visiting low grog shops. But I do not think that the licensing laws of any of the States are so loose as to allow that class of drinking establishment to exist.

Senator GIVENS.—I think that they exist in every State.

Senator PEARCE.—I can only speak for Western Australia; and I do not think that its licensing laws allow that class of grog shop to exist. Of course, the honorable senator can speak for his own State.

Senator DE LARGIE.—Does the honorable senator say that in Western Australia sly grog shops do not exist?

Senator PEARCE.—I do not think that the licensing laws of Western Australia allow the existence of what can be called low grog shops.

Senator DE LARGIE.—They are to be found in every State.

Senator PEARCE.—I do not know of any in Western Australia.

Senator DE LARGIE.—Then the honorable senator does not know much about the gold-fields.

Senator PEARCE.—I have a fair knowledge of the gold-fields, and I do not think it can be said that any sly grog shops exist there. At any rate, there are no barracks on the gold-fields. I intend, whenever the opportunity arises, to vote to lessen the opportunities for indulging in the use of strong drink. I regret that we have not the power to deal with the whole drink

question. We can only deal with the subject in a limited manner. I hesitated in making up my mind, because I believe in the principle of local option being applied to the drink question rather than prohibition, but I could not see how it could be applied in this case, because, in order to be effective, it must be applied to districts, and not to one drinking place. For these reasons, I intend to support the Bill.

Senator DRAKE (Queensland) [5.40].—I intend to vote against the second reading of the Bill. I have been very much impressed by what I have heard in the course of the debate. In my experience of the Defence Force, I did not hear of any evil resulting from the presence of the canteen, either in barracks or in camps, and judging from the opinions of persons in authority which have been communicated to the Senate, I feel more strongly than ever that great evils would result from the abolition of the canteens. In my opinion, the whole position is summed up in what was said, I think, by one of the American officers who was quoted by Senator Turley. I think that there is no harm in repeating and endorsing from my own experience the statement that every man in charge of soldiers would desire that they should be total abstainers, but that, failing that, the next best thing is that their means of getting drink should be under the control of the authorities—that it is better that they should be able to have what they desire in camp or in the field under proper regulations, than that they should be compelled to go outside and get what they want. To my mind, that reason is quite sufficient to justify me in voting against the Bill. I do not agree with the statement of some honorable senators that it is a matter of putting additional temptations in the way of the soldier. If he is not a teetotaler, that is to say, if he makes a practice of taking a little drink occasionally he will either have it in the barracks or the camp, or else he will have it outside. It is better, I think, that he should have his drink under the former condition, and therefore I shall oppose the Bill.

Senator DE LARGIE (Western Australia) [5.41].—I think it will be generally admitted that the debate has been of an extremely one-sided character, because the so-called temperance advocates have misrepresented the evil, in order to put forward a case in support of the abolition of can-

teens. I believe that every argument which has been advanced in favour of the Bill has been met with half-a-dozen arguments on the other side. I do not remember a debate on a question of this kind, certainly not in the Senate, which has been so one-sided. I recognise that the side against the Bill have made out such a good case that it is not necessary to support it with very many words, and I do not think that I should have risen to speak had it not been for the remarks made by Senator Pearce. It has been remarked by many persons that as a rule a temperance advocate is very intemperate in his language, but I cannot say that that dictum applies to Senator Pearce, who is a strict total abstainer, and who, to my knowledge, in his speeches on the temperance question, has always been very temperate indeed in his language. But when he says that the licensing laws of Western Australia have not been evaded or have not encouraged the establishment of the low-class public-houses of which we have heard so much in this debate. I am satisfied that he knows very little of the conditions which obtain in most parts of that State, more particularly on the gold-fields where, as is only natural, and as I suppose is common to all new gold-fields, a state of lawlessness concerning the licensing laws is observable to a very pronounced degree.

Senator PEARCE.—The barracks are not on the gold-fields, but on the coast.

Senator GIVENS.—The military camps might be held on the gold-fields.

Senator PEARCE.—They are held on the coast.

Senator DE LARGIE.—Senator Pearce complained about the effect of the licensing laws.

Senator MILLEN.—Is not Senator de Largie showing the value of control?

Senator PEARCE.—I know the district in which the barracks are situated, and I know that there are no low grog shops there.

Senator DE LARGIE.—There is no better illustration of the advantages of regulating the drink traffic than can be found in Western Australia. I speak with personal experience, because I was well acquainted with Gwalia on the eastern gold-fields, before the State hotel was erected, and I have lived at the State hotel. One has only to compare the previous conditions with the present conditions to be convinced at once that the regulation of the drink traffic, more

particularly in the form of a State hotel, is the only cure for the drink evil. What is a canteen but a State hotel? It exists under the auspices of the Government, and is regulated by Government officers; and in supporting its abolition, Senator Pearce is, I hold, violating the principle of the State hotel which he has supported time and again. I had occasion to go to Gwalia before the State hotel was established there, and when it was a perfect Bedlam and hot-bed of evil owing to the drinking and carousing of every kind that went on there. Prostitutes, and men who lived on those unfortunate persons, made a good living in that part of the country, because there was no licensed public-house nearer than a few miles from the town of Leonora. Persons took advantage of the opportunity to establish sly-grog shops there, and the state of affairs to which this led was mainly the reason for the institution of the State hotel in Gwalia. The people of Leonora, believing that it would interfere with their interests, were opposed to the proclamation of a township at Gwalia, but the Government were faced with the necessity of doing something to put an end to the awful state of affairs existing at the place, and they came to the conclusion that the only way in which they could clear out all the bad characters who were living on the miners there was to establish a State hotel at the place. They did so, with the result that on my first visit to Gwalia after the establishment of the State hotel, I was more than surprised at the altered demeanour of the people and the improvement in every aspect of society in that locality. One could go into the State hotel with some assurance that he would not be insulted, or would not have a rough to deal with. It was possible there to get good liquor, and to be treated as one had a right to be treated. Under the old condition of affairs it was not possible for a man to go into any place in the township in which liquor was sold with any assurance that he would come out of it alive. This should be accepted as some proof that there is no better way in which the drink traffic can be regulated than by the agency of the Government.

Senator PEARCE.—The honorable senator is aware that I do not need conversion on that point.

Senator DE LARGIE.—By proposing to vote for the abolition of the canteen, and the abolition of Government agency in

the control of the sale of liquor to a section of the community, I think the honorable senator is violating the principle to a certain extent. I had another experience in New South Wales. At the mining township of Kembla, when I was there, there were no hotels established, and, so far as I know, there are none there now. The nearest licensed house was at some considerable distance from the township. I have no doubt that the proprietor of the mine, the late Ebenezer Vickery, a man who took a very great interest in the temperance movement, thought that if he could prevent the issue of hotel licences for any property over which he had control he would be able to do something for the advance of the movement in which he was so much interested. But what was the result? I lived for some years at Kembla, and I can say, without fear of contradiction, that there was more drinking at that mining township than in any other township along the southern coast of New South Wales. Every week end drink was carted up to that place wholesale, and in greater quantity than would have been consumed if there had been a regular public-house established at the place.

Senator WALKER.—Where was that?

Senator DE LARGIE.—I am referring to the township of Kembla, and if Senators Pulsford and Walker will make inquiries as to the condition of affairs at that township, they will be convinced of the force of my contention that the very worst thing that can be done in the interests of the temperance cause is to afford opportunities for the establishment of sly-grog shops by preventing the sale of liquor under regulation and control.

Senator WALKER.—I quite agree with the honorable senator. I am on the same side with him in this matter.

Senator DE LARGIE.—I am glad to hear that. For the reasons I have urged, and because I have heard no reason advanced by the other side in favour of the abolition of the canteen, I shall vote against the second reading of the Bill. The consumption of liquor will go on despite anything we can do, and in the light of such experiences as I have related I am unable to understand how any one can be found prepared to support a Bill designed to entirely prevent the sale of liquor in canteens. The sale of liquor is one of those things which we can regulate and

I hope that the Bill will be thrown out.

Senator O'KEEFE (Tasmania) [5.52].—I have listened with considerable interest to the debate which has taken place on the second reading of this Bill. To those who have spoken on the measure from either side I give credit for all sincerity, and I claim from them the same credit for sincerity in the expression of my conviction that in voting against this Bill, and in favour of the retention of the canteen, I am doing what I believe to be best in the interests of those concerned. I believe that there is more misery caused in the world through excessive drinking than through any other agency.

Senator FINDLEY.—Bad economic conditions are the root cause that drives people to drink.

Senator O'KEEFE.—Senator Findley may hold that view, but to any one who has knocked about the world it is patent that there is an enormous amount of misery caused by excessive drinking. What assurance have we that those who frequent canteens will be benefited by the passing of this Bill? How can honorable senators for a moment believe that by passing this Bill we shall reduce the amount of drinking by those who now drink at the canteens? Senator de Largie has related from his own knowledge what has occurred in mining camps where no licensed houses for the sale of drink have been established. A similar state of affairs has come under my notice in mining camps some miles from centres of civilization, and in which houses have not been licensed for the sale of drink. I have in mind at the present time at least two places where the establishment of sly-grog shops was due entirely to the fact that the men in the locality would have strong drink, and there was no licensed public house within a distance of some miles. The result was that the parasites of society who seem to infest every place, established sly-grog shops in which they sold liquor of the worst quality, or of no quality at all, and thus did enormous injury to those who would drink, while they put illegal profits into their own pockets. It has been urged during the debate that if we abolish the sale of liquor in canteens there will be some danger of sly-grog selling in them. In reply it is contended that as the canteens are under control that danger is not likely to be very serious. But it seems to me that where some hundreds of men are

some distance from the nearest licensed public house, those who will have a certain quantity of drink under any circumstances will find the means of getting it through some of their comrades, and that it will be surreptitiously introduced into the canteen by individuals who may desire to make a profit out of it. That may be a somewhat far-fetched idea, but I believe that there is such a danger. If I thought for a moment that we could do any service to those who, at present, are able to buy drink in military canteens, and would be acting in their interests by prohibiting the sale of strong drink in them, I should be prepared to vote for the Bill. But it has already been pointed out, and may well be repeated, that we have not the power to deal with the sale of drink except in canteens. As a Federal Parliament we have not the power to prevent the sale of drink within a few hundred yards of a canteen. The men who frequent canteens are kept in barracks as prisoners—they are allowed a certain time off, and those who are unable to exercise self-restraint, and who, at times, take more drink than may be good for them, would get it outside if they could not get it in the canteens. If they are able to get the drink they require in the canteens, we are entitled to assume that they will be supplied only with the best quality of liquor, and that they will not be allowed to obtain sufficient to intoxicate them. If they have to go outside to get drink, they will be able to get it in unlimited quantity, and as much as they please to purchase. Seeing that we have not the power to prohibit or regulate the sale of strong drink outside Federal Territory, which includes all places over which the Federal authorities have control, military canteens amongst others, it seems to me that it would be absolutely useless for us to pass this Bill even from the point of view of those who conscientiously believe in temperance and in the restriction of the drink traffic. The instance of the State hotel at Gwalia, referred to by Senator de Largie, is deserving of consideration. In this morning's newspaper I read a statement made on the authority of a member of the Victorian Legislative Assembly, with respect to the history of the State hotel in Gwalia, and what has taken place there during the last twelve months.

Senator DE LARGIE.—Did he quote his authority?

Senator PEARCE.—The statement was made on my authority. I supplied the figures, and I have always advocated State hotels.

Senator O'KEEFE.—I was not aware that the member of another place obtained his facts from Senator Pearce.

Senator PEARCE.—The honorable member stated so.

Senator O'KEEFE.—That certainly escaped my observation; but the fact only insures that the statements are correct.

Senator PEARCE.—I should not have interposed if Senator de Largie had not seemed to think there was a reason for keeping back the fact.

Senator O'KEEFE.—There is no reason for Senator Pearce to interject to the effect that he is in favour of State control of the liquor traffic. However, the contrast between the conduct of the Government hotel at Gwalia and the conduct of privately-owned hotels is very sharp. In the hotel at Gwalia, no man is served with more than a limited quantity of drink, and if he insists on calling for more, he is taken on one side and quietly informed by the man in charge that he cannot be supplied.

Senator DE LARGIE.—If a man has the slightest sign of drink about him, he is not served at all.

Senator O'KEEFE.—I quote these facts to show that the main object of the hotel at Gwalia is not the making of profits, and in this we have a concrete example of the State ownership and control of the liquor traffic to a limited extent. I have never wavered in my belief that the collective control of this traffic would be the best possible policy in the interests of the temperance party; and I regard the Commonwealth control of the traffic in canteens as a step, if only a small step, in that direction. We should be making a great mistake in the interests of temperance, and in the interests of the Forces, who would always be able to purchase liquor outside, if we were to carry this Bill. I am as earnest as any man could be in my desire to see the evils of the drink traffic swept away—I am a thoroughly sincere advocate of temperance, though not of absolute prohibition, and, therefore, I am opposed to the measure. The Minister of Defence appears to me to be rather inconsistent in his attitude. In the course of the debate he said, "It is human nature; when you prohibit a thing which people desire, they will at once try to get

it." The Minister has since told us that he intends to prohibit the sale of all liquors, except beer and wine, in the military canteens, but, in view of his former declaration, such a step is inconsistent on his part. However that may be, the Minister proposes to follow a precedent which has worked very well; and we are informed by medical and scientific authorities that the greatest evils arise from alcoholic drinks other than beer and wine. The Minister may be quite right in the step he proposes to take; and if, as probably will prove to be the case, men are satisfied with wine and beer in lieu of the stronger form of liquor, it will be a step in the right direction. On this point I am in accord with the Minister of Defence, and I shall vote against the second reading of the Bill.

Senator CLEMONS' (Tasmania) [6.5].—This Bill has, I have no doubt, been introduced with the best of motives; but the intentions, worthy as they are, may, if carried out, largely result in frustrating the objects of its promoters. We have to decide whether we believe that the Bill will achieve its object, and I give every credit to Senator Pulsford and those associated with him for a firm belief that the measure will do something to check the great evil of drink. After listening to their arguments, however, I am forced to the conclusion that, praiseworthy as their effort is, it will probably end, I shall not say in disaster, but in rendering worse the evil they hope to check. In my opinion, the great evil of the drink traffic throughout the Commonwealth arises partly from bad Licensing Acts, and partly from the corrupt administration of the Licensing Acts. I am not so much concerned with sly-grog drinking, bad as it may be, as with the existing conditions in every State, arising from the two causes I have indicated. When I consider the way in which liquor is sold in military canteens, I recognise the fact that, whether that sale be under military regulation or not, it is quite possible for liquor to be dispensed there without the element of profit entering into the transaction. Of all the disastrous circumstances in connexion with the drink traffic in this, as in other communities, none is so bad in its effects as the profit derived from the sale of drink to men. I do not know enough of military organization to know whether the element of profit is altogether removed from canteens.

Senator MULCAHY.—There is no personal profit; but whatever return there may be is expended for the benefit of the men themselves.

Senator CLEMONS.—If there were the element of personal profit, I should do my utmost to remove it, because, in my opinion, no profit ought to accrue from the sale of liquor.

Senator MULCAHY.—That would make the drink cheaper.

Senator CLEMONS.—In no case would I allow any profit to be made.

Senator O'KEEFE.—It would be better to keep the present prices, and apply the profits in providing amusements for the men.

Senator CLEMONS.—I am not much concerned about that. I consider that the element of profit ought to be removed when liquor is sold in canteens, because it is the element which is the most objectionable in the ordinary methods of selling drink in public-houses. Reference has been made to the State ownership and control of the liquor traffic; and I have wondered publicly and privately why the Labour Party, whose chief political ambition at the present time is to nationalize industries in their various phases of ownership, distribution and exchange, have never, so far as I have been able to ascertain, brought into prominence the question of the nationalization of the drink traffic.

Senator STEWART.—We cannot do everything at once.

Senator CLEMONS.—Quite so; but I am at liberty to say something as to the order in which the Labour Party choose to achieve the objects they have in view.

Senator PEARCE.—The nationalization of the liquor traffic is a plank in the platform of the Labour Party in every State.

Senator GIVENS.—What power have we to deal with the liquor traffic?

Senator CLEMONS.—What power have we to nationalize the tobacco industry?

Senator DE LARGIE.—The nationalization of the liquor traffic is urged in the last speech of Mr. Prendergast, the leader of the Labour Party in Victoria.

Senator CLEMONS.—I ask Senator Givens what power we in this Parliament have to nationalize the land, the tobacco industry, or any other industry?

Senator GIVENS.—The tobacco industry represents a monopoly which could not be dealt with by a State, and we have ample power under the Constitution to deal with the land as we propose.

Senator CLEMONS.—We have no power, and Senator Givens is aware of the fact, to deal with the nationalization of anything. I do say, however, that as a first practical start, the Labour Party, in their attempt to carry out their mad schemes of nationalization, would have done much to gain, perhaps, the sympathy of men like myself, to whom the idea of nationalization is abhorrent, if they had moved in the direction of the nationalization of the drink traffic. Had the Labour Party done so, they might, as I say, have got the sympathy of many men who positively hate nationalization, as representing the destruction of industry.

Senator FINDLEY.—If the honorable senator thinks our schemes are mad, why not give the people an opportunity to vote against them?

The PRESIDENT.—I must ask the honorable senator not to discuss other schemes.

Senator CLEMONS.—I am not discussing any other scheme.

The PRESIDENT.—I was not referring to Senator Clemons, but to the honorable senator who interjected.

Senator CLEMONS.—It is a significant fact that the Labour Party should at the present juncture be endeavouring to bring about, not the nationalization of the drink traffic, but the nationalization of the tobacco industry. I repeat that I have heard no prominence given by the Labour Party to the question of controlling the drink traffic by means of State ownership.

Senator O'KEEFE.—Then the honorable senator cannot have read the report of the debate in the Tasmanian Parliament the other day, when the labour members of that Parliament gave great prominence to the question.

Senator CLEMONS.—I am dealing with the Federal Parliament, and I challenge any member of the Labour Party to show an instance within the last three years of that party bringing into prominence the question of the State ownership and control of the drink traffic.

Senator DE LARGIE.—What about the Papua Bill?

Senator CLEMONS.—Yes; honorable members advocate the State ownership and control of the liquor traffic in New Guinea, but they are prepared to permit any number of public-houses in Australia. That is the attitude to which I object.

Senator GIVENS.—The honorable senator desires a Socialism which will suit himself, and not a Socialism which suits others.

Senator CLEMONS.—I do not desire, and I am not advocating, Socialism, but merely drawing attention to the attitude of the Labour Party on the drink traffic.

Senator O'KEEFE.—I hope we shall be able to give the honorable senator an opportunity of voting with us on the question.

Senator CLEMONS. — I shall vote against the second reading of the Bill, because I think that under the canteen system of disposing of liquor there is a much better opportunity to effect the same sort of control—and I say this advisedly—that may be obtained by the State ownership and sale of liquor. In my opinion, the Bill would not promote the cause of temperance in our Military Forces, but, on the other hand, would do harm; and for that reason, and for no other, I shall vote against the second reading.

Senator PULSFORD (New South Wales) [6.15].—I wish in the first place to refer to some remarks made as to the reason why this Bill has been introduced. It has been suggested by one or two honorable senators that the Bill has been brought forward as an electioneering dodge. There are two answers to that charge. In the first place, as to the House in which the measure originated, I have to state that it was placed on the business-paper of the House of Representatives last year—a year and a half before a general election was likely to occur; and it was only because the Bill was not reached that it was not dealt with last year. As far as the Senate is concerned, I point out that the Bill is in charge of a senator who has no occasion to face the electors this year. It is obvious, therefore, that the suggestion that there is an electioneering motive at the bottom of the proposal is entirely mistaken. It has been stated by one or two honorable senators that some supporters of the Bill have been very intemperate in their remarks. I think I may reply that honours are fairly easy in that respect. I have heard opponents of the Bill charge supporters of it with being fanatics. I, who have been a temperance advocate all my life, and who have been always ready to do all I could to promote the cause of temperance, resent that imputation, because, while I am in favour of temperance, and wish to promote it in every way, I have never lost sight of the

grave and overwhelming importance of personal liberty. I remember that when the Papua Act was under discussion, I quoted a remark made by an eminent English churchman, who said that he would rather see England free than sober. I quoted that remark as showing the ground on which I stood. When the Bill came into my hands, this was the ground upon which I put it before the Senate. I stated—

This Bill is intended to make our army as a fighting machine more efficient for the purposes for which it is established. It is on that ground that I especially ask the support of the Senate.

In this respect I find that a statement has been made by Major-General Miles, of the United States Army, who says—

In this most important hour of the nation's history, it is due to the Government from all those in its service that they should not only render their most earnest efforts for its honour and welfare, but that their full physical and intellectual force should be given to their public duties, uncontaminated by any indulgence that shall dim, stultify, weaken, or impair their faculties and strength in any particular.

That is the ground, and the only ground, upon which I have taken charge of the Bill, and have asked for support for it. If it should be the opinion of the Senate that the army as a fighting force cannot be strengthened by the measure which I have brought forward, my arguments fall to the ground. Honorable senators should recognise the great importance of the cause of temperance to Australia; and if any advocates of temperance, feeling to an overwhelming extent the evils that result from the consumption of intoxicants, should allow themselves occasionally to speak warmly, their efforts, I claim, should be regarded with esteem, and not with scorn. I find that there is considerable difficulty in getting at the truth as to the position of matters in America in respect of canteens. That largely arises from the method in which legislative affairs are conducted in the United States. Legislative proposals are first of all dealt with by Committees, reports of whose proceedings do not seem to be published. I have not been able, therefore, to obtain that full information which I should have liked to get. I must recognise that the speeches delivered in the Senate have been of a very high order. I do not suppose that any measure that has been before this Chamber has been more carefully debated. The address delivered by Senator Turley showed most laborious investigation, and was well worthy of the subject, well worthy

many of his statements, some made on the authority of army officers in the United States, are more or less untrustworthy. I will tell the Senate why. It seems that there has been a tendency to exaggerate, and within the last eighteen months the Secretary of the War Department in America has issued a minute calling upon officers in the army to be careful in the reports which they issue on this subject. I am very sorry that I am driven into a corner in the matter of time, but I think it advisable to read this statement—

The Secretary of War invites attention to the foregoing correspondence, and requests the officers of the army in charge of troops, who in their annual reports are called upon to speak of the operation of the anti-canteen amendment, to state the facts only, and not their opinions. The good faith of the army in making these reports, unless on their face they are impartial statements of the facts which have come to the knowledge of the officers, will, in the heat of controversy, certainly be attacked if there is the slightest internal evidence of a bias on the part of witnesses.

It is quite evident, from the fact that the United States Secretary of State for War has issued such a memorandum, that statements were afloat to which at least the suspicion attached that they were not quite accurate. How far that inaccuracy attached to the reports which came under the cognizance of Senator Turley and Senator Findley I am not aware. But it does seem that there is some doubt as to their complete accuracy. It is impossible for me to deal as I should like to do with the remarks made by Senator Playford, owing to lack of time. But there is one point to which I must allude. Senator Playford is under the impression that the expenditure on drink in military canteens is of a very limited character, and that drinking on the part of soldiers is very moderate. I must differ from him.

Senator PLAYFORD.—That was proved up to the hilt by Senator Millen.

Senator PULSFORD.—I will refer to the remarks made on that topic. Senator Playford, in the figures which he quoted, showed that the expenditure on drink in the Sydney barracks was £479 in the year. But he added that the outside cost of the liquor consumed would have been £800. Senator Millen gave us the expenditure on drink in Australia generally, and went on to observe that the expenditure on drink in canteens

to compare it with what it would have cost to buy the same quantity of liquor outside, we must take the £5 odd as representing an expenditure of between £8 and £9 per head, which would have been the cost if the men had consumed the liquor outside barracks. In addition to the fact that in the canteens the soldiers consume drink to the value of between £8 and £9, it has to be remembered that a certain number of them consume drink outside. That has to be added to the amount consumed in the canteens. We have not the figures for outside consumption, and do not know the amount of money the men spent in that way. Therefore it is impossible to make a fair comparison between the expenditure by soldiers who live in barracks and by the public generally. That is quite clear. I have received a private letter on this subject from a gentleman, in which he says that there is a large amount of evil connected with some of the small canteens, and that if canteens are to be allowed at all they should be confined to head-quarters. I ask honorable senators to let this Bill go to a division. I hope that it will get into Committee. If then honorable senators do not care to pass it as it is, they can make it apply only to ardent spirits. If they do not like to adopt that course they can easily refer it to a Select Committee.

Question—That the Bill be now read a second time—put. The Senate divided.

Aves ...	...	...	6
Noes ...	...	...	16
			—
Majority ...	...	...	10

AYES.

Dobson, H.	Styles, J.
Guthrie, R. S.	
Henderson, G.	Teller:
Smith, M. S. C.	Pulsford, E.

NOES.

Baker, Sir R. C.	McGregor, G.
Clemons, J. S.	Millen, E. D.
Croft, J. W.	Mulcahy, E.
Dawson, A.	Playford, T.
Drake, J. G.	Stewart, J. C.
Findley, E.	Turley, H.
Givens, T.	
Higgs, W. G.	Teller:
Keating, J. H.	O'Keefe, D. J.

PAIRS.

Pearce, G. F.	Gould, A. J.
Fraser, S.	Walker, J. T.
Best, R. W.	Neild, J. C.

Question so resolved in the negative.

PAPER.

Senator KEATING laid upon the table the following paper:—

Copy of a schedule of proposed alterations in the Commonwealth Customs Tariff of 1902 designed to differentiate between certain dutiable goods, the produce or manufacture of the United Kingdom and imported direct in British ships, and similar goods not the produce or manufacture of the United Kingdom, or not imported direct in British ships.

Sitting suspended from 6.30 to 7.45 p.m.

AUSTRALIAN INDUSTRIES PRESERVATION BILL.

In Committee (Consideration resumed from 29th August, *vide* page 3544):

Clause 18—

1. For the purposes of this Part of this Act, competition shall be deemed to be unfair if—

(a) under ordinary circumstances of trade it would probably lead to the Australian goods being no longer produced or being withdrawn from the market or being sold at a loss unless produced at an inadequate remuneration for labour; or

(b) the means adopted by the person importing or selling the imported goods are, in the opinion of the Comptroller-General or a Justice as the case may be, unfair in the circumstances.

2. In the following cases the competition shall be deemed unfair unless the contrary is proved:—

(a) If the competition would probably or does in fact result in an inadequate remuneration for labour in the Australian industry:

(b) If the competition would probably or does in fact result in creating any substantial disorganization in Australian industry or throwing workers out of employment:

(c) If the imported goods have been purchased abroad by or for the importer, from the manufacturer or some person acting for or in combination with him or accounting to him, at prices greatly below their ordinary cost of production where produced or market price where purchased:

(d) If the imported goods are imported by or for the manufacturer, or some person acting for or in combination with him or accounting to him, and are being sold in Australia at a price which is less than gives the person importing or selling them a fair profit upon their fair foreign market value, or their fair selling value if sold in the country of production, together with all charges after shipment from the place whence the goods are exported directly to Australia (including Customs duty).

3. In determining whether the competition is unfair, regard shall be had to the efficiency of the management, the processes, the plant, and the machinery employed or adopted in the Australian industry affected by the competition.

Senator DRAKE (Queensland) [7.48].—It appears to me that the use of the word “probably” in a clause of this nature is rather inapt, because it relates to things which would have to be proved. It is first used in paragraph *a* of sub-clause 1. It does not appear to me that it should be used there if it is intended to serve any useful purpose, because the Court would have to decide whether under ordinary circumstances of trade the competition would lead to certain results. The use of the word “probably” could only tend to confuse matters. But the objection to it is stronger when we come to sub-clause 2, because there it deals with cases in which competition shall be deemed unfair unless the contrary be proved, and thus throws upon the defendant at once the onus of proving something. What he would have to prove would be that the competition would not “probably” result in an inadequate remuneration for labour. Clearly, a person should not be called upon to prove that something was not probable. It is not necessary to use the words “would probably or” in paragraph *a* of sub-clause 2.

Senator MILLEN.—I agree with the honorable senator's objection, but I would remind him that the word is used also in clause 6.

Senator DRAKE.—I shall not make up my mind as to whether I shall move the omission of the word “probably” from paragraph *a* of sub-clause 1 until I know the views of the Government on the point. But in that sub-clause I find a provision which I think very unsatisfactory, in that it would create a complication with regard to States legislation, and that is the reference to an “inadequate remuneration for labour.” If we turn to the interpretation clause, we find that—

“Inadequate remuneration for labour” includes inadequate pay or excessive hours, or any terms or conditions of labour or employment unduly disadvantageous to workers.

By what standard would the Court have to be guided? Suppose that the prohibition we have spoken of related to the whole of Australia, then the recognised rate of payment for labour in each State might be different. Some States have Wages Boards and others have not. The Court would

have to interpret a Federal Act according to a standard which had been set up by States legislation. If the rate obtaining in one State were different from the rate obtaining in the other States, in some cases it might force the Court into the position of over-riding State legislation, in deciding what was an adequate remuneration for labour. If it were to decide on the higher rate, it would be enforcing a high rate in one State, where, perhaps, a lower rate obtained.

Senator PEARCE.—Does not the honorable senator think it quite possible that the Court would differentiate between the States?

Senator DRAKE.—I do not know whether it could do that.

Senator PEARCE. — Why not? In one State the rate of wages might not be fair.

Senator MILLEN.—Even within a State the Arbitration Court has allowed a variation.

Senator PEARCE.—In almost every award the Arbitration Court does that.

Senator DRAKE. — Quite so; but it would be very injudicious to require a Federal Justice to say what was an adequate remuneration for labour in the different States.

Senator PEARCE.—No; the wage would be already fixed, and he would say whether, in his opinion, it was an adequate wage.

Senator DRAKE. — By doing so, the Justice would be practically saying that in his opinion a certain rate of remuneration was adequate or inadequate. And if that rate were to be followed in all the States, it is quite clear that the Court might be jamming itself up against State legislation. It is very undesirable, if it can be avoided, that there should be anything like conflict between Federal and State legislation.

Senator MILLEN (New South Wales) [7-55].—I recognise all the difficulties which Senator Drake has pointed out. I believe with him that if the Bill were enacted the troubles which it would throw upon those who would be called upon to administer its provisions and those in respect of whom it would be administered would be interminable, but the responsibility for that position would rest with those who had supported the enactment of the legislation. Although I see no advantage at this stage in introducing an amendment, still I would point out to Senator Drake that the word to which he

objects has already been passed in clause 6, where it is used in two places.

Senator DRAKE.—That is no reason why it should be passed in this clause.

Senator MILLEN. — I think that the whole Bill is complicated and absurd, and that the use of the word is ridiculous; but still, having adopted it in one clause, there seems to me an advantage in retaining it here, because, if the Justice found in a provision dealing with unfair competition the words "if the competition would probably or does in fact result," and that from another clause the word "probably" had been left out, he could only assume that Parliament meant something different in one case from what it did in the other. Whether the use of the word is right or wrong, it seems to me desirable to adopt the same phraseology when the same object is intended.

Senator PULSFORD.—We might knock the word out of clause 6 on recommitment.

Senator MILLEN.—If I thought that there was the slightest possibility of making an amendment to improve the Bill I would take that course, or support an amendment if moved by any one else. But the feeling against the amendment of the Bill has proved so strong on every occasion that it appears to me that its opponents have done all that could be expected of them.

Senator PEARCE.—Senator Best's amendment was carried by an overwhelming majority.

Senator MILLEN.—Amendments which are incubated between the Ministry and some of their supporters form one class of amendment, but there has been no encouragement held out to honorable senators on this side to make improvements.

Senator PLAYFORD.—Because they are opposed to the whole measure.

Senator MILLEN.—That is perfectly true, but the Minister cannot say that our amendments have not been offered *bonâ fide* with the object of improving the Bill. Not one amendment has been offered from this side to destroy its fundamental principles. We can claim that we have sought to improve the measure, so far as it is capable of improvement. Although I think that the major portion of the Bill should be amended, still I am not prepared to move an amendment when I see that, rightly or wrongly, the Committee has determined to adopt the Bill much as it stands.

I do not think that Senator Millen is taking the right course.

Senator MILLEN.—I am not going to run my head against a stone wall.

Senator DRAKE.—During the progress of the Bill the honorable senator has suggested amendments if he has not moved them, and although he has not succeeded, so far, in convincing honorable senators on the other side, still I do not see why we should despair. If we continue to point out what, in our opinion, are objections in drafting and in substance, it may be that, if we cannot convince the Government, we may convince some honorable senators. In the division on the constitutional point, if I remember aright, one or two honorable senators who had not previously voted in that direction voted for our amendment. It is our duty, I think, to point out any imperfections. If the Government refuse to accept amendments when suggested the whole responsibility will rest upon them. At the same time, a considerable responsibility will rest upon honorable senators on this side if we do not point out what we consider to be defects. I propose to move that the words "would probably or," be left out.

Senator PULSFORD (New South Wales) [8.0].—It is very desirable that, in considering this Bill honorable senators should remember that we are sailing upon an unknown sea, which is absolutely uncharted. There is nothing in the experience of other countries to guide us in connexion with this part of the measure. In the first and second part of the Bill there are occasional references in marginal notes to the Sherman Act, or to something else which is American; but in the third part honorable senators will find that there is no reference to America in any of the marginal notes. The meaning of that is that every one of the clauses in this part has been thought out, built up, and constructed here. In a matter of such immense importance, it is quite obvious that there are many openings for error even from the point of view taken by the Minister. I venture to say that within clause 18 there are possibilities of trouble which the people of Australia little dream of. I direct the attention of the Committee to one matter in connexion with the clause which lets "the cat out of the bag" as to what the Bill is before us for.

the bag?

Senator PULSFORD. — Senator McGregor is doing his share in that direction. This clause makes it quite clear that the Bill is introduced, as I think most people are already well aware, in the interests of manufacturers, and I might almost say of certain manufacturers, in Australia. There are several references in it to "the manufacturer," and in sub-clause 3 there is a reference to the processes, plant, and machinery in "the Australian industry." These references clearly show that the manufacturing industries are those which it is proposed to support, and I ask honorable senators to be a little bit critical of this clause in consequence, and to remember that there are other industries in Australia of relatively overwhelming importance when compared with the manufacturing industries. I direct the attention of honorable senators to the fact that an importer in one State, being charged with unfair trading in any line of business, may lead to a prohibition of those goods, not only by himself, but by every other importer in the State and in every other State in Australia.

Senator PEARCE. — My amendment will deal with that.

Senator PULSFORD.—I am aware that Senator Pearce has seen this difficulty; but I am pointing out how great the objection to this legislation really is, and the serious outlook which it brings before us. With respect to the amendment suggested by Senator Pearce, do honorable senators believe that we shall get over the trouble if we limit the prohibition to one importer? Will that do very much good? Can he not employ an agent to bring in the goods for him? If this clause is to be passed, with or without the amendment suggested by Senator Pearce, it will involve a very wide-spread trouble to spring from a very small cause. The clause practically makes it a crime for anybody to buy cheap goods. I should like honorable senators who, before Christmas comes, will have to face the electors, to think out what this means. Let Senator Playford think what he will have to do in Adelaide when he faces an audience largely composed of lady voters. Let the honorable senator consider to-night how he will then justify proposals to make it impossible, or at least extremely difficult, for cheap goods to be imported and sold in Australia.

Australia have no desire to buy cheap goods, if that would prevent the employment of their own people. They have no wish to buy goods produced under sweated conditions in any part of the world to compete with the productions of their own people.

Senator PULSFORD.—This clause says nothing about sweating. It does not provide that goods produced under sweating conditions shall not be imported, but that if goods are bought cheaply abroad, and so can be imported here, and sold at a price which will enable them to compete in our market with similar goods produced in Australia, it shall be an offence to import them.

Senator BEST.—Of what use are cheap goods if we have not the money to buy them?

Senator PULSFORD.—That is a very old gag. If people have the money to buy cheap goods, and have not the money to buy dear goods, will they thank Senators Best and Playford for putting the price of the articles they require beyond their reach, and so preventing them from obtaining them? Life is one long struggle to the great mass of the people. They are possessed of limited means, and must make what they have go as far as they possibly can. One of the main results of legislation such as that which is embodied in this clause will be to make it difficult for people to spend their money to such advantage as they otherwise would be able to do.

Senator MCGREGOR.—They would not have any means at all if the honorable senator had his way.

Senator PULSFORD.—In that remark, Senator McGregor raises a very big question. The honorable senator knows, or ought to know by this time, that what he says is all humbug. The great work of Australia is the production of commodities which we send abroad to the value of tens of millions of pounds sterling annually, and the goods that come here from abroad are but the final results of the work of our producers. If it were not for the possibility of importing goods from abroad, of what use would it be for us to produce goods for export? If we legislate in such a way that people can only get a limited instead of a large quantity of goods from abroad, we shall be only making it hard instead of easy for them to live. That is my reply to Senator McGregor's interjec-

know that what I say is true. I have not yet found any member of the Senate, or any one else, who is 'prepared to face this very obvious statement of the economic position of Australia. Let honorable senators go to the country districts, and tell the producers, whether they be pastoralists, farmers, or miners, "You are producing pastoral or farm produce, or gold or other minerals. You must send your productions abroad, and we intend by our legislation to be careful as to what you shall get in exchange. We do not desire that you shall get bargains, but that you shall be able to get only dear goods in exchange."

Senator O'KEEFE.—How does the honorable senator account for the fact that nearly all the miners in Australia are protectionists?

Senator PULSFORD.—They are not, and the honorable senator ought to know that they are not. The great mining State of the Commonwealth is Western Australia, and in the first Federal Parliament that State had in the two Houses eleven free-traders out of twelve representatives. It is, therefore, ridiculous for Senator O'Keefe to say that all the miners of Australia are protectionists.

Senator HENDERSON.—It is quite wrong for the honorable senator to sum up Western Australia in those terms. That State sent representatives to the Federal Parliament because they were Labour men, and not because they were either free-traders or protectionists.

Senator PULSFORD.—We had a good deal to do with the question in the first Federal Parliament, and it is on record how the representatives of the great western State voted. We know very well that the statement now proffered to the Senate by Senator O'Keefe is inaccurate, to put it mildly. Not only is it to be wrong for people to import cheap goods, and obtain bargains, but if an importer has made a mistake by buying goods abroad at their full price, and has missed the market—if he has bought goods for the summer or winter trade, and has missed that trade, and the goods are left on his hands—and he finds it necessary to sell them cheaply to get rid of them, this clause provides that if he sells them at a price below the cost of production, it shall be a crime. Is not that an offence to common sense? Yet, here it is embodied in this proposed legislation in black and white.

facts into their heads, and consider, if they are not prepared to make some alteration in this measure, how later on they are going to face the electors and explain these absurdities to them. I should like very much to know what is meant by paragraph *b*, of sub-clause 1 of clause 18. I find from the clause that, for the purposes of this part of the Act, competition is to be deemed unfair if, in the opinion of the Comptroller-General, it is unfair. That is practically what paragraph *b* of sub-clause 1 amounts to. It is a very neat way of putting it, but there are other words in between which may be more difficult to interpret. The clause provides that—

For the purposes of this part of this Act, competition shall be deemed to be unfair if—

- (*b*) the means adopted by the persons importing or selling the imported goods—

are, in the opinion of the Comptroller-General, "unfair in the circumstances." Is not that going it rather strong? The Minister of Customs is really to be the Czar of Australian trade, and the Comptroller-General is to be used to pull the chestnuts out of the fire for him. In sub-clause 1 we have the words—

For the purposes of this part of this Act, competition shall be deemed to be unfair if—

- (*a*) under ordinary circumstances of trade it would probably lead—

and so forth. Then, as Senator Drake has pointed out, the word "probably" opens up a vista of extraordinary possibilities which cannot be viewed without alarm. What is to prevent a manufacturer going to Dr. Wollaston, and complaining that some rival in trade has imported half a dozen cases of goods, the sale of which will injure the trade of the complainant, and asking the Comptroller whether he cannot see his way to advise the Minister to stop the importation?

Senator PLAYFORD.—The honorable senator fancies that the Comptroller is going to be an idiot.

Senator PULSFORD.—The Minister has taken power which would enable him to turn the Comptroller-General into an idiot pretty quickly.

Senator MILLEN.—The Comptroller-General will soon be an idiot if he has to administer this Bill.

Senator PULSFORD.—I think he will. We have it on the authority of Dr. Wollaston that, in dealing with Acts relating

have an opinion.

Senator PEARCE.—But this Bill specially says that Dr. Wollaston shall have an opinion.

Senator PULSFORD.—When I referred to this point the other day, Senator Playford interjected that Dr. Wollaston is only a servant, recognising that the Comptroller-General will have to do as he is told.

Senator PLAYFORD.—Of course; but the Comptroller-General can have an opinion, and express it to the Minister.

Senator PULSFORD.—Senator Pearce is answered by Senator Playford, who says that the Minister will tell the Comptroller-General what the latter has to do.

Senator MCGREGOR.—If the Bill provides that Dr. Wollaston shall do a certain thing he will have to do it.

Senator PULSFORD.—And he will have to do it under the direction of his master, the Minister of Trade and Customs. In order to put a tangible question before the Committee, I move—

That the word "probably," in paragraph *a* of sub-clause 1, be left out.

Senator DRAKE (Queensland) [8.20].—In order that there may be no misapprehension, I point out that we are now dealing with the proof required—for the whole of the purposes of this part of the Bill—that competition is unfair. It is not only for the Comptroller-General, but for a Judge as well, to decide whether competition is unfair. It has been pointed out again and again, that the gist of the offence is unfair competition, and if competition is held to be unfair, the intent will be assumed. In the sub-clause, in which Senator Pulsford has moved his amendment, it is provided that, on certain things being proved, the competition shall be deemed to be unfair, and no opportunity will be given to the defendant to disprove it.

Senator PLAYFORD.—Yes, there will.

Senator DRAKE.—No; that is what the Minister of Defence evidently does not understand.

Senator PEARCE.—The matter will not at that point have reached the stage of proof, but merely of inquiry.

Senator DRAKE.—The first sub-clause covers the whole of this part of the Bill, and it provides that, "for the purposes of this part of the Act, competition shall be deemed to be unfair," &c., which relates to everything that may come before the Court for determination. The competition

is to be deemed to be unfair when certain things are proved, and, as I have said, no opportunity is to be afforded to the defendant at that stage to disprove the allegation. In the second sub-clause, competition is to be deemed to be unfair unless the contrary is proved.

Senator PEARCE.—The opinion of the Justice will be formed on the evidence before him.

Senator DRAKE.—On this evidence. For instance, according to the sub-clause with which we are now dealing, if the Judge is satisfied that, under the ordinary circumstances of trade, the competition will probably lead—

Senator PLAYFORD.—The Judge will hear the evidence of both sides.

Senator DRAKE.—That is not so. The difference between the two sub-clauses is that, according to one, the competition is to be deemed to be unfair, while, according to the other, the competition is to be deemed to be unfair unless the contrary is proved. The things referred to in paragraphs *a* and *b* of sub-clause 1 have to be proved to the satisfaction of the Court; and, when that has been done, the Judge has to find that the competition is unfair, even though any amount of evidence could be given by the defendant to prove that it is not unfair. It is clear that the Minister was not aware of the effect of this provision, but now that he does know, he ought to raise no objection to the amendment.

Senator BEST (Victoria) [8.24].—Senator Drake, and those who think with him, find it very convenient to overlook what is the keystone of the position, when they ignore the terms of clause 19, as follows:—

The Comptroller-General, whenever he has received a complaint in writing and has reason to believe that any person (hereinafter called the importer), either singly or in combination with any other person within or beyond the Commonwealth, is importing into Australia goods (hereinafter called imported goods), with intent to destroy or injure any Australian industry—

Senator DRAKE.—That says "has reason to believe."

Senator PLAYFORD.—Surely Senator Drake would not wait until an industry had been ruined?

Senator BEST.—A complaint is made in writing to that effect to the Comptroller-General, namely, that certain goods are being imported with intent to destroy or injure an Australian industry by their sale or disposal within the Commonwealth in un-

fair competition. Then the Comptroller-General gives a certificate to the Minister, who has to consider the matter. After that has been done, the Minister's duty is to refer the case to the Court; and these are the questions for the Court:—

On receipt of the certificate the Minister may—

(a) By order in writing refer to a Justice the investigation and determination of the question whether the imported goods are imported with the intent alleged—

That is the essence of the whole thing—whether the goods are being imported with the intent alleged—

and if so, whether the importation of the goods should be prohibited either absolutely or subject to any specified conditions or restrictions or limitations.

In this connexion it is also necessary to observe that—

the Justice shall be guided by good conscience and the substantial merits of the case, without regard to legal forms or technicalities, or whether the evidence before him is in accordance with the law of evidence or not.

Senator MULCAHY.—Does the honorable senator hold that a man may be guilty of unfair competition, and yet have no intent to damage an Australian industry?

Senator DRAKE.—Intent cannot be proved in any other way.

Senator BEST.—A man cannot, and will not, be convicted by the Judge, unless the latter is satisfied that the intention of the importer is to injure an Australian industry. The Judge will be an impartial man—a member of the High Court accustomed to the sifting of evidence—on whose judgment, judicial knowledge, and fairness every confidence has to be placed. He has to consider whether the intent exists, and if it does, then he has the right to prescribe the terms on which the importer may be permitted to bring in the goods.

Senator GIVENS.—Would there not be a conviction if it were shown that the importer intended to subject Australian goods to unfair competition?

Senator BEST.—Yes, that is the very object of the Bill. Senator Drake has referred to sub-clause 1 of clause 18 as follows:—

For the purposes of this part of the Act, competition shall be deemed to be unfair if—

(a) under ordinary circumstances of trade it will probably lead to the Australian goods being no longer produced or being withdrawn from the market or being sold at a loss unless produced at an inadequate remuneration for labour.

will find what it is the object of the Bill to have consummated. We desire to protect our industries from what is unfair competition; and it would surely be unfair competition if it would have the effect of destroying our industries. This is not a mere matter of allegation. A judicial tribunal, after careful and full investigation as to the merits of the case, quite apart from all legal technicalities, will have to find, as a matter of fact, that the competition is going to injure or destroy an industry. Is that not reasonable and fair?

Senator MULCAHY. — How could it be found, as a matter of fact, that the competition was going to destroy an industry?

Senator BEST.—If the Judge does not so find the prosecution will fail.

Senator MULCAHY.—It is not a matter of fact, but a matter of assumption.

Senator BEST.—The Bill says that the Judge must find this, as a matter of fact.

Senator MULCAHY.—How could he do so?

Senator BEST.—By the evidence of the plaintiff and the defendant, the latter of whom will be at liberty to produce whatever evidence he chooses. The whole merits of the question will be gone into by the Judge, and if he comes to the determination that the competition would result in Australian goods being no longer produced or being withdrawn from the market, he will find that the goods are being imported with intent. These are the terms of the Bill, and we cannot get away from them. It is not as if some political tribunal was constituted for the purpose of determining these questions of fact.

Senator MULCAHY.—But the Minister has to decide as to whether there is a *prima facie* case.

Senator BEST.—The Minister has no power, further than to refuse to send the case on, or not to send it on.

Senator MILLEN.—Yes, he has; he can stop the goods in the meanwhile.

Senator BEST.—That is so, but the position may be met by the importer entering into a bond to a satisfactory amount.

Senator MILLEN.—A great concession!

Senator BEST.—But honorable senators have been arguing as though the Minister had power to come to a determination as to whether the goods should be admitted or not.

Senator MULCAHY. — The Minister may not send the case on to the Justice.

Senator BEST.—If so, then the goods may come in.

Senator BEST.—Then of what is the honorable senator complaining?

Senator MULCAHY.—The Minister may refuse to permit some goods to come in while admitting other goods.

Senator BEST.—No; if the Minister takes on himself the responsibility of refusing to permit the goods to be imported, he will have to send the question on to the highest tribunal in the land. If that tribunal finds that the design and intent of the importer be to wipe out an industry, and the Judge so finds, the Judge will, by giving effect to the provisions of this measure, do what is necessary to preserve our industries. My honorable friend cannot ignore those facts. They are in the Bill, and they will be the law. Under these circumstances, it is quite unreasonable to suggest that the importer is being unfairly and unjustly treated, and that the innocent man is going to suffer to an alarming extent. His intent to do harm has to be found by the Judge before he can be dealt with.

Senator MILLEN (New South Wales) [8.31].—While I cannot hope to influence the determination of the Committee, I am pleased to take part in an interesting discussion. I wish to point out that, to my mind, there is one dominant fact with which Senator Best carefully avoided coming to grips. I am going to show how dangerous it is—not unusual, but dangerous—to read only a part of a clause. My honorable friend read to the Committee part of clause 19, but he stopped at the very part where he ought to have gone on. The clause reads—

The Comptroller-General whenever he has received a complaint in writing, and has reason to believe that any person (hereinafter called the importer) either singly or in combination with any other person within or beyond the Commonwealth, is importing into Australia goods (hereinafter called imported goods) with intent to destroy or injure any Australian industry—

My honorable friend stopped there.

Senator BEST.—I think I read on to "unfair competition."

Senator MILLEN. -- My honorable friend distinctly stopped before he came to that part of the clause. I made a note of the fact at the table.

Senator BEST.—I feel absolutely certain about the matter.

Senator MILLEN.—Well, if my honorable friend did read on—and, of course, I have to accept his assurance—he quite lost sight of the remainder of the clause in his

argument. I ask honorable senators to bear in mind what unfair competition means. It means, according to sub-clause 2 of clause 18, in rough words, the selling of goods at less than the local price.

Senator MULCAHY.—It means selling goods at much less than the cost of production.

Senator MILLEN.—I am dealing with one case, where these goods come in, and are sold at a lower price than the current rate.

Senator PEARCE.—I do not think it is right to say "the current rate." The Bill says "greatly below the ordinary cost of production where produced"—that is, at the place of origin.

Senator MILLEN.—I was trying, for the sake of brevity—which is dear to the heart of this Committee—to summarize the effect of clause 18. There are several paragraphs in it. One deals with the disorganization of local industry. Imported goods can only disorganize local industry by being sold at lower than local prices. Another paragraph deals with competition resulting in an inadequate remuneration for labour. The imported goods can only occasion an inadequate remuneration for labour when they are sold at lower than the local price. I summarized the effect of the clause by saying that unfair competition is defined as the selling of an article at less than the local market rate. I think that is not an inaccurate summary. If that be so, we have to read clause 19 as meaning that the offence which the Comptroller-General has to inquire into is the intent to destroy or injure an Australian industry by selling goods at less than the local price. That is the meaning of the clause, and that is exactly where Senator Best, if he quoted the words, as he said he did, absolutely failed to keep them in his mind when addressing the Committee. My honorable friend smiles. I think it is enough to make any one smile, that he, with his knowledge of the law, should get up and try to impress the Committee with such an argument. He sought to make extremely light of the power of the Minister. I am always loth to refer to individuals, but when it is affirmed that the Minister is not likely to, and never does, differentiate between individuals, I wish to remind the Committee that quite recently we have had an admission from the Government that in one particular case the Minister of Trade and Customs, exercising

the power which he may possess, has absolutely allowed the manager of one particular factory to grade his own butter. After instances of this kind, what is the use of telling us that Ministers are impartiality itself, and that they never by any means differentiate between individuals?

Senator STEWART.—There were special circumstances in that case.

Senator MILLEN.—I never knew of a case where I could not find special circumstances if I wanted to do so. It is impossible to say anything worse about the Bill than that it is a measure under which in special circumstances the Minister may do one thing to-day and another thing to-morrow. The fault that I find with the whole course of legislation which this Parliament has been passing is that we have left so much to the Minister, leaving him to determine, in special circumstances—it may be with special individuals—what course of action he will take.

Senator GIVENS.—That is a power which we left to the Minister in the Papua Act, with the honorable senator's help.

Senator MILLEN.—With my help, left anything to this Government! My honorable friend surely makes a mistake. I would not even leave them their portfolios if I could help it.

Senator STEWART.—The honorable senator would not leave anything with them, I am afraid.

Senator MILLEN.—Yes, I would leave them my honorable friend. Senator Best has pointed out that all the Minister could do would be practically harmless. Probably, to his mind, it is a mere nothing that a man should have his goods hung up for two or three months; but to men of commercial knowledge, like Senator Mulcahy, it is evident that it makes all the difference between a profitable investment and a grievous loss whether an importer can put his goods on to the market at a certain time, or whether they are tied up until the Minister has inquired into the case. In some instances it will mean that the goods will be rendered valueless owing to the loss of the season's market.

Senator MCGREGOR.—The importer can give a bond.

Senator MILLEN.—What is the good of telling me that, if the Minister takes a sovereign of mine, I can have it if I plank down twenty shillings.

cessary to plank down a little bit of paper with a name upon it.

Senator MILLEN.—Would the Minister be likely to take a bond like that? He would want to know that the bond was of good substance and value before he would allow the goods to go out. He would satisfy himself that that bond, if presented, was worth twenty shillings in the pound. Therefore, it is idle to say that the man could get his goods. He could only get them by depositing money, which would be liable to be forfeited if the case went against him. The whole position is that the clause makes the competition unfair if the goods are sold at less than the local price.

Senator DRAKE (Queensland) [8.40].—Having listened to Senator Best's speech, and to the eloquent interjections of the Minister, I can suggest an amendment that will put honorable senators to the test. Those who have told us again and again that in this clause the defendant can give evidence to show that the competition was unfair will surely have no objection to put that in the Bill. I propose, therefore, if Senator Pulsford will temporarily withdraw his amendment, to move that the words "unless the contrary is proved" be inserted. They are words which are used in sub-clause 2.

Amendment, by leave, withdrawn.

Amendment (by Senator DRAKE) proposed—

That after the word "unfair," line 2, the words "unless the contrary is proved" be inserted.

Senator MILLEN (New South Wales) [8.41].—I put forward an argument just now which brought forth an encouraging interjection from the Honorary Minister. That was, that, as we have left certain words in the previous clause, we should adhere to them in the clause now under discussion, to make the Bill uniform. The Minister cordially agreed with that view. I may, therefore, reasonably appeal to him to support Senator Drake's amendment upon the same argument—that it is desirable to make the Bill uniform. There can surely be no objection to inserting these words, which appear in an earlier portion of the Bill. I trust, therefore, that the amendment will be agreed to.

Senator KEATING (Tasmania—Honorary Minister) [8.42].—The amendment now submitted would not put to the test the principle that Senator Drake thinks

upon at all. I listened with a great deal of interest—and I may say, without any disrespect to him, with a great deal of patience—to the honorable senator when I heard him defining the meaning of this clause. Of course, I quite recognise that he, or any other honorable senator, may say that the Bill is so complicated that it is surrounded with a great deal of difficulty. But I would point out that, although the honorable senator was right, as far as he went, unfortunately he did not go far enough in considering the effect of the clause. The opening words of the clause are, "for the purpose of this part of the Act." We have, therefore, to deal with the whole of the clauses coming under Part III., "Prevention of Dumping." But my honorable friend, Senator Drake, so far as he went, confined himself to the consideration of clause 18 alone. He pointed out that it is provided in sub-clause 2, paragraphs *a*, *b*, *c*, and *d*, that, in certain cases specified, unfair competition is to be assumed unless the contrary is proved. He pointed out also that in paragraphs *a* and *b* of sub-clause 1, we prescribe what shall be deemed to be unfair competition, without any reference to "unless it is proved to the contrary." I point out to the honorable senator that what we are providing in clause 18, sub-clause 1, is more in the nature of a definition of unfair competition. What we are providing in clause 18, sub-clause 2, however, is a series of circumstances from which it may in evidence be presumed that the competition is unfair. "unless the contrary is proved." Some reference has been made during the debate to clauses 19 and 20. Honorable senators will observe that in clause 19 it is proposed to give power to the Comptroller-General to take certain action, after a complaint has been made to him in writing. The Comptroller-General may send in a certificate to the Minister stating, in regard to certain goods—the particular imported goods which unfairly compete. After the certificate has been forwarded to the Minister, he might or might not remit the matter for the determination of a Justice. If it were remitted, the Justice would investigate the question of whether the goods were being imported with the intent alleged. It will be seen, therefore, that there are two stages. First of all, before a man could come under the operation of this part of the measure, it would be necessary for the Comptroller-General to

consider the business conduct which was likely to be investigated, and to come to the conclusion that the importer was guilty of unfair competition. Having come to that conclusion, he would have to send on his certificate, but that would not conclude the matter. On the receipt of the certificate, the Minister might or might not remit the matter to a Justice, but if he did, the Justice would be charged with determining whether the importer was importing goods with the intention of destroying an Australian industry by means of unfair competition.

Senator DRAKE.—How would that intention be proved?

Senator KEATING.—I do not intend to deal with that question at this stage. From this explanation of the procedure to be adopted, it will be seen that, in the discharge of his functions, the Comptroller-General would have to consider whether, in his opinion, unfair competition existed. And when he had determined that point, if the matter did get to the Justice ultimately, the latter would also have to determine whether unfair competition existed, because he would have to decide whether the importer was importing with the intent alleged. What is "unfair competition" is a question which would naturally suggest itself to the mind of the Comptroller-General in the first instance, and to the Justice in the second instance. If one or the other turned to the Bill, he would find that it had been laid down distinctly that competition should be deemed to be unfair if—

- (a) under ordinary circumstances of trade it would probably lead to the Australian goods being no longer produced or being withdrawn from the market or being sold at a loss unless produced at an inadequate remuneration for labour.

That is one definition, and if the circumstances were such as to warrant the Comptroller-General coming to that conclusion, he could honestly and *bonâ fide* issue his certificate. If later on the Justice also found that the circumstances came within that definition, he would have to come to the conclusion that unfair competition existed. The other definition which Senator Drake, or, rather, Senator Pulsford, frequently quoted, as if the words were highly inappropriate, reads—

- (b) the means adopted by the person importing or selling the imported goods are, in the opinion of the Comptroller-General or a Justice as the case may be, unfair in the circumstances.

The words of that paragraph, on which Senator Pulsford did not seem to lay very great stress, were, "as the case may be." and "in the circumstances." First of all, it is provided in paragraph *a* that if the result of the competition were such that under ordinary circumstances of trade there would be that undesirable displacement, that would be unfair competition. But to guard against the possibility of their being some other unfair competition, the exact nature of which we cannot foresee, we provide in paragraph *b*, in general terms, that if the means adopted by the person importing or selling the imported goods are, in the opinion of the Comptroller-General, unfair in the circumstances, it should be deemed unfair competition. There may be means of competition which have never yet been resorted to either in Australia, or even in any other country in which industrial competition has been most strenuous. There may be means of competition which have yet to be devised, and we want the Bill to meet such cases.

Senator PEARCE.—Why should the words "unless the contrary is proved," appear in sub-clause 2 and not in sub-clause 1?

Senator KEATING.—Because in sub-clause 1 they would be surplusage.

Senator DRAKE.—Oh, no.

Senator KEATING.—Sub-clause 1 is more in the nature of a definition.

Senator DRAKE.—I cannot see any difference.

Senator KEATING.—In the paragraphs of sub-clause 2 we set out a series of circumstances from which a presumption may be drawn, but paragraphs *a* and *b* of sub-clause 1 are more in the nature of a definition of unfair competition. For instance, if a State Parliament were to enact in a Criminal Code Bill that burglary shall be committed by any person who feloniously enters a dwelling-house by breaking in between sundown and sunrise there would be a definition so far as it went, but if it were to put in the words "unless the contrary is proved" it would be surplusage.

Senator PEARCE.—Does not that remark apply to paragraphs *c* and *d* of sub-clause 2?

Senator KEATING.—No.

Senator PEARCE.—Surely they are definitions?

Senator KEATING.—No. Paragraphs *a* and *b* of sub-clause 1 purport to be definitions of what is unfair competition, but when we define what shall constitute an of-

fence we do not need to use the words "unless the contrary is proved." The use of that phrase would be surplusage in that connexion. Perhaps honorable senators would have seen the force of my contention better if clause 18 had been divided into two clauses. They would have seen then that sub-clause 1 is purely a definition of what is unfair competition.

Senator MILLEN.—What is sub-clause 2?

Senator KEATING.—That is not a definition, but deals with proof. So far as procedure and evidence are concerned, it sets out what may be inferred from a certain set of circumstances, or what is called in law a rebuttable presumption. I can understand that the appearance of the two sub-clauses in the one clause is likely to suggest to the minds of honorable senators that the clause is dealing entirely with one thing, but sub-clause 1, I submit, is a definition, and the four paragraphs of sub-clause 2 are merely directions or indications to the Court as to what it may presume under certain circumstances, at the same time prescribing that the presumptions which it may make shall be what are known in law as rebuttable presumptions. For the purposes of this part of the measure, we must have a definition of what is unfair competition, and if we insert in sub-clause 1 the words "unless the contrary is proved" we shall insert words which are absolutely unnecessary, and which never appear in a definition.

Senator PEARCE.—Surely they are equally unnecessary in sub-clause 2.

Senator KEATING.—I have just pointed out that the paragraphs of that sub-clause are not definitions, but provisions as to evidence.

Senator PEARCE.—With all due deference to the Minister, I think that paragraphs *c* and *d* are. Surely paragraph *c* is.

Senator KEATING.—No.

Senator MILLEN.—It defines the circumstances but not the thing.

Senator KEATING.—It sets out the set of circumstances, from which it may be presumed, unless the contrary is proved, that the competition is unfair.

Senator MILLEN.—It defines the circumstances, but it is not a definition.

Senator KEATING.—Under paragraphs *a* and *b* of sub-clause 1 it would be necessary for the Justice to be satisfied that the circumstances came within those paragraphs before he could find that the defendant had been guilty of unfair competition.

Senator DRAKE (Queensland) [8.57].—I thank the Minister for the patience with which he listened to me, and also for his courteous and full explanation. I should have preferred if, when I was speaking, he had put his colleague right on the subject, and had not allowed him to contradict me point blank, and make it appear that I was stating something which was contrary to fact. However, he has admitted that I was right, as far as I went. I hope that I shall always be right as far as I go. Although Senator Keating has spoken of the paragraphs of sub-clause 1 as definitions, and of the paragraphs of sub-clause 2 as circumstances, I cannot see any difference between one and the other. It appears to me that they are as like one another as are Tweedledee and Tweedledum. Of course, the legal members of the Senate know the difference between the two sub-clauses. All along I have been pointing out that sub-clause 1 lays it down that under certain circumstances the proof of certain things shall be accepted as proof that the competition is unfair. But the other sub-clause provides that when certain other matters have been proved to the satisfaction of the Justice, then the competition shall be deemed unfair, unless the contrary is proved. Under that provision, after the evidence had been given to show that the competition was unfair, it would be open to the defendant to come in, explain the circumstances, and prove, if he could, that the competition was not unfair. Until Senator Keating made his explanation a number of honorable senators, including Senator Playford, were under the impression that the defendant would in all cases be allowed to come in and prove that the competition was not unfair.

Senator PEARCE.—I do not think that we were.

Senator DRAKE.—I dare say that the honorable senator was not, but certainly Senator Playford was. We shall all agree probably in accepting Senator Keating's statement that, for the purposes of this part of the Bill—that is to satisfy the Comptroller-General and the Justice—when certain matters had been proved to the Court the Justice would be bound to hold that the competition was unfair, and could not listen to any evidence to the contrary.

Senator BEST.—I do not agree with that proposition.

is the difference between proof and *prima facie* evidence. The things which would have to be proved are set out in paragraphs *a* and *b* of sub-clause 1, and if those things were proved to the satisfaction of the Justice, he would have to hold that the competition was unfair, and he could not hear any evidence from the defendant to show that it was not. Under the second sub-clause the matters referred to would be regarded as *prima facie* evidence that the competition was unfair, and then it would be for the defendant, if he could, to prove that, after all, the circumstances, with his explanation of them, showed that, although, at first sight, the competition might appear to be unfair, it really was not so. Under paragraph *a* of sub-clause 1 what is provided is that the competition shall be deemed to be unfair if—

under ordinary circumstances of trade it would probably lead to the Australian goods being no longer produced, or being withdrawn from the market, or being sold at a loss unless produced at an inadequate remuneration for labour.

The Minister says that that is a definition. I turn now to paragraph *b* of sub-clause 2, and I find that it is provided that the competition shall be deemed unfair unless the contrary is proved—

if the competition would probably or does in fact result in creating any substantial disorganization in Australian industry, or throwing workers out of employment.

I ask honorable senators to say what is the difference between these two paragraphs which justify the Minister referring to one as a definition and to the other as a circumstance? Why in the one case should it be held to be unfair competition, and in the other a rebuttable presumption on merely *prima facie* evidence which may be disproved by the defendant?

Senator STEWART.—The persons charged could be heard in both cases.

Senator DRAKE.—No. That is the whole point. The difference between the two sub-clauses is that the matters referred to in paragraphs *a* and *b* of sub-clause 1 being proved to the satisfaction of the Justice, he would be bound to hold that the competition was unfair.

Senator STEWART.—Who is to prove that?

Senator DRAKE.—It will be proved by the prosecution.

Senator STEWART.—But the Justice must hear somebody besides the prosecutor. We need not contemplate that anything else is intended.

Stewart support me in inserting the words "unless the contrary is proved" in sub-clause 1. They appear in sub-clause 2?

Senator STEWART.—Yes, in order to make the clause clear.

Senator DRAKE.—I may further explain the matter in this way. By paragraph *b* of sub-clause 1 it is provided that the competition shall be deemed to be unfair if—

the means adopted by the person importing or selling the imported goods are in the opinion of the Comptroller-General or the Justice, as the case may be, unfair in the circumstances.

As the clause stands at present, when that had been proved to the satisfaction of the Comptroller-General, or the Justice, he would be bound to hold that the competition was unfair, and he could not hear the defendant, who might be able to explain that the means he adopted did not constitute unfair competition.

Senator PEARCE.—As a layman, I should certainly read it in that way.

Senator DRAKE.—Supposing that it was proved that these means had been used, the defendant would not be allowed to prove that those means did not make his competition unfair.

Senator PEARCE.—A layman would say that the words "unless the contrary is proved" are used in sub-clause 2, and not in sub-clause 1, for some reason.

Senator DRAKE.—I have given the reason. In the first case, the matters referred to in paragraphs *a* and *b* of sub-clause 1 are not considered as affording a rebuttable presumption. In the case of sub-clause 2 these matters are considered only as *prima facie* evidence, and the Justice hears the other side, and decides on the evidence given by both sides. If honorable senators believe that, in connexion with the matters referred to in sub-clause 1, it is right that the defendant should have an opportunity to prove that his competition was not unfair, they should vote for the insertion of the words I have referred to.

Senator BEST (Victoria) [9.6].—I must confess that I do not agree with the interpretation placed upon this clause by either Senators Drake or Keating. We have to imagine the offence with which the defendant is charged. The offence is that he did, with intent to destroy or injure an Australian industry, dispose of or sell certain goods within the Commonwealth in unfair competition.

unfair competition.

Senator BEST.—Of course we are, and that is the charge; and if paragraphs *a* and *b* of clause 18 are a definition of unfair competition, as stated by Senator Keating, then the defendant has the right to rebut them. Moreover, the Justice has to decide whether the imported goods are being imported with the intent alleged. In order to enable him to ascertain whether the goods were imported with the intent to destroy an Australian industry, and by means of unfair competition, he must hear both the plaintiff and the defendant. He must necessarily do so before he can come to a decision. It is stated in sub-clause 1 that, for the purposes of this part of the Act, competition shall be deemed to be unfair if—

under ordinary circumstances of trade it would probably lead to the Australian goods being no longer produced, or being withdrawn from the market, or being sold at a loss, unless produced at an inadequate remuneration for labour.

That very question is involved in the charge. It cannot be suggested for a moment that the plaintiff has simply to make an allegation that the goods are imported and are being sold in unfair competition in order to secure a conviction. The prosecution must bring before the Court the necessary evidence to support the charge.

Senator MILLEN. — The honorable and learned senator is not now arguing against the insertion of the words "unless the contrary is proved" in sub-clause 1.

Senator BEST.—I am not. As a matter of fact, I do not think it makes any difference whether they are inserted or not. I confess that I find it difficult to understand why they should appear in one sub-clause and not in the other. According to my interpretation, I contend that in any circumstances the defendant would be at liberty to say, "I did not introduce these goods with the intention to destroy the Australian industry by unfair competition, and the effect of their introduction would not be to do so." I say that necessarily the defendant will have the right to rebut the suggestions of paragraphs *a* and *b* of sub-clause 1. The objection to the paragraphs would not be so serious for the purpose of *prima facie* evidence so far as the Comptroller-General is concerned, but when the case goes before the Justice the matter is different.

admits that the rules of evidence will apply to the trial in Court.

Senator BEST.—Undoubtedly; but subject to the good conscience provision.

Senator DRAKE.—I understood the honorable and learned senator to state before that it was only a preliminary affair.

Senator BEST.—I was referring to the preliminary examination by the Comptroller-General for the purpose of his certificate. I admit that it will be the duty of the Comptroller-General to summon the importer, and say to him, "This charge is made against you. It appears to me that the effect of the introduction of these goods will be the destruction of the Australian industry by unfair competition." But then, when the case goes on to the Justice, I say that the defendant must have the opportunity, without doubt, to tender evidence to show that the introduction of the goods and his competition will not destroy the Australian industry. There are questions of fact which the Justice has to find. He may have to determine the question—

whether the importation of the goods should be prohibited either absolutely or subject to any specified conditions or restrictions or limitations.

The defendant has the right to bring forward whatever evidence he pleases to show that he should not have imposed upon him any restrictions or limitations. If he is at liberty to submit evidence to that effect, it will necessarily be in the direction of disproving the matters contained in paragraphs *a* and *b* of sub-clause 1, if such evidence is available.

Senator MULCAHY.—I ask the honorable and learned senator to look at paragraph *c* of sub-clause 2, and say whether he cannot conceive a case in which the purchaser of a large quantity of goods abroad may import them with a perfectly innocent intention, although their importation may, under clause 19, be held to injure an Australian industry. Could the honorable and learned senator agree to such a man being punished and found guilty of an intention which he did not have?

Senator BEST.—It is quite consistent with the *bona fide* carrying on of trade for an importer to import goods in the way described.

Senator MULCAHY. — Could he, as the Bill is worded, be punished under it for an intention he did not have, and merely because his importations might temporarily injure some Australian industry?

know what is in the importer's mind; but if he finds as a fact that the importation would, in the ordinary circumstances of trade, probably lead to the Australian goods being no longer produced or being withdrawn from the market—

Senator MULCAHY.—He would be deemed to be guilty of the intent.

Senator BEST.—No doubt, if the Justice found as a matter of fact, from all the circumstances, that that was the intent, he could be punished; but it is quite clear to me that the Justice would hear evidence from the defendant to rebut the presumption in paragraphs *a* and *b* of sub-clause 1.

Senator PEARCE (Western Australia) [9.14].—I listened very carefully to Senator Keating's statement of the case. I take it that the Government are opposing Senator Drake's amendment, and while Senator Keating gave a clear exposition of how the clauses would probably operate, I think he gave no reason why the amendment should not be made, nor did the honorable and learned senator give any reason for the distinction drawn between sub-clauses 1 and 2 by the insertion of the words "unless the contrary is proved" in sub-clause 2. It seems to me that the clause has been badly drawn. I direct attention to the fact that in sub-clause 1 the phrase used is "shall be deemed to be unfair," and in sub-clause 2 the phrase used is "shall be deemed unfair." I suggest that it would be a good drafting amendment of the clause to insert the words proposed by Senator Drake in the first part of the clause, and to leave out sub-clause 2 altogether. To a layman it appears that when the words "unless the contrary is proved" are introduced in sub-clause 2, there must be some reason for leaving them out of sub-clause 1. If rebuttal is possible under the first two sub-clauses, why not say so? If it is not necessary to use the words, why is it necessary to do so in paragraph 1? We do not desire to load the Bill with meaningless clauses. The Government are placed in the position that they ought either to accept Senator Drake's amendment or strike out the second paragraph. I suggest that the Government accept the amendment.

Senator MILLEN (New South Wales) [9.17].—Quite apart from the legal aspect I think that Senator Best has put forward what may be regarded as the common-sense view of the clause. I am not saying

part of the honorable senator, but it does strike me as only common-sense to make it clear that while certain things may be assumed, every full and fair opportunity shall be given to a defendant to rebut the assumption. While I take that to be the common-sense view, I cannot get away from the idea that those who drafted the Bill held the opinion expressed by Senator Keating. There is internal evidence in the clause itself that those who drafted the Bill shared Senator Keating's view; but, if so, I think that we ought to amend the clause. The reason I say that the clause supports Senator Keating is that if the two sub-clauses are intended to mean that the defendant shall have an equal opportunity under both for rebutting the assumption, I desire to know what is the use of paragraphs *a* and *b* of sub-clause 1. Senator Keating describes these paragraphs as a definition; but I ask the honorable senator to compare paragraph *a* of sub-clause 1 with paragraph *b* of sub-clause 2, and say whether the latter is not merely a paraphrase. Sub-clause 1 declares that competition is to be deemed to be unfair if—

under ordinary circumstances of trade it would probably lead to the Australian goods being no longer produced, or being withdrawn from the market, or being sold at a loss unless produced at an inadequate remuneration for labour.

That means the utter disorganization of the industry.

Senator PEARCE.—Does that not contemplate that an industry might be carried on at a sweating wage, whereas paragraph *b* of sub-clause 2 contemplates the closing down of the industry.

Senator MILLEN.—Senator Pearce will admit that if an industry can be carried on only at a sweating wage, it is disorganized.

Senator PEARCE.—The men may not be thrown out of work.

Senator MILLEN.—Men are not necessarily thrown out of work by a reduction of wages.

Senator BEST.—The offence is to destroy or injure, and certainly that would be injuring.

Senator MILLEN.—That is exactly what I am saying. Paragraph *a* of sub-clause 1 declares in five or six lines that competition is to be deemed unfair if an industry is injured or disorganized—that is, injured in relation to employer or employed. If we turn to paragraph *b* of

sub-clause 2 the same thing is expressed in other words—

If the competition would probably or does in fact result in creating any substantial disorganization in Australian industry, or throwing workers out of employment.

Why are these two paragraphs put under different headings unless different meanings are to be read into them? It is quite clear that if the view which Senator Best has expressed is the right one—if the defendant is to have an opportunity in the one case, as in the other, to put forward rebutting evidence—it is unnecessary to have those two paragraphs, because one would be sufficient. For that reason, it appears to me that there is a great deal in the clause itself which supports the view put forward by Senator Keating. As I think that would be an utterly wrong and wicked view, I trust that the Committee will agree, in order to make the meaning abundantly clear, to adopt the amendment moved by Senator Drake. I admit that that amendment, if carried, would still leave paragraph *a* as surplusage; but it is better to have some surplusage than even a smaller measure of injustice.

Senator DOBSON (Tasmania) [9.20].—I am not very clear what is the exact meaning of the clause, but I desire to ask Senator Keating two questions, the answer to one of which may tend to show that the amendment moved by Senator Drake ought to be accepted. The first question is whether in paragraph *b* of sub-clause 1 the use of the word "Justice" is not premature?

Senator KEATING.—No.

Senator DOBSON.—As I understand the clause, the matter first comes before the Comptroller-General in a preliminary stage?

Senator KEATING.—Yes.

Senator DOBSON.—But how can the matter ever come before a Justice in a preliminary stage?

Senator KEATING.—I think I called attention to the words "or a Justice as the case may be." The competition may be deemed to be unfair in the opinion of the Comptroller-General, or in the opinion of the Justice.

Senator DOBSON. — But if, in the opinion of the Comptroller-General, at this preliminary inquiry, the competition is unfair, he will give a certificate, and, later, this certificate will require the Judge to determine whether the imported goods are being imported with the intent alleged.

There is nothing said about the means employed; and as to the intent alleged we have to refer to clause 19. According to that clause the Justice has to find that the importation is with the intent to injure an industry by the sale or disposal of the goods within the Commonwealth in unfair competition. But, as I pointed out before, nothing is said about the means employed. A tradesman might carry on his business in a fairly legitimate way, but, with a desire to better his position, he might adopt means deemed to be unfair. The Judge, is not, however, bound by clause 19 to consider the means, though he is so bound by paragraph *b* of sub-clause 1 of clause 18.

Senator KEATING.—The word "intent" in clause 19 governs all the words down to "unfair competition with any Australian goods."

Senator DOBSON.—But the word "intent" does not govern paragraph *b* of sub-clause 1 of clause 18.

Senator KEATING.—"Unfair competition" comes in in the last few lines of sub-clause 1 of clause 19. The Judge will still have to determine the matter, even though the Comptroller-General is convinced that the competition is unfair.

Senator DOBSON.—What is the use of connecting the Justice with the preliminary inquiry?

Senator KEATING.—It is not a preliminary inquiry. "Unfair competition" is defined in paragraph *a* of sub-clause 1 of clause 18 "for the purposes of this part of this Act," and not for the purpose of the clause alone.

Senator DOBSON.—My next question, which may show that the words moved by Senator Drake should be inserted, is whether Senator Keating is of opinion that, when the Comptroller-General is giving the power to move in the matter, and certain things are done, that opinion is to be the absolute determination, without the defendant having any means of showing that the competition is not unfair?

Senator KEATING.—The defendant will have an opportunity.

Senator DRAKE.—Not before the Comptroller-General, I think.

Senator KEATING. — Sub-clause 4 of clause 19 says—

The Comptroller-General shall, before making his certificate, give to the importer an opportunity to show cause why the certificate should not be made, and furnish him with a copy of the complaint.

be any objection to the insertion of the words moved by Senator Drake.

Senator KEATING.—The only objection is that they are surplusage.

Senator DOBSON.—It seems to me that the words are logical and consistent with what comes afterwards.

Amendment agreed to.

Senator PULSFORD (New South Wales) [9.25].—I move—

That the word "probably," in paragraph a of sub-clause 1, be left out.

Senator PLAYFORD.—Surely the honorable senator would not wait until an industry had been absolutely destroyed?

Senator PULSFORD.—My desire is that people shall not be scared to death by ghosts.

Senator DRAKE.—There is no need for the word "probably" if, under ordinary circumstances of trade, the importation would lead to the destruction of an industry.

Senator PULSFORD.—The word is quite unnecessary for any honest dealing, and it will only facilitate improper interference, where there should be no interference whatever. It would be a very extraordinary case in which a man could not imagine that something would "probably" happen.

Senator PLAYFORD.—The word is used in previous clauses.

Senator PULSFORD.—There is nothing to prevent our recommitting the Bill and amending those clauses.

Senator MULCAHY (Tasmania) [9.27].—I do not like the Bill, and I do not care to say anything in defence of it; but I certainly cannot follow the argument of Senator Pulsford. The word "probably" must be left in, it seems to me, because the clause deals with something which may happen in the future. This clause refers to what must be a specific shipment of goods; and it must be a matter of judgment as to what will be the probable effect of their introduction. Can we make the Comptroller-General or the Justice an absolute prophet? This is one of the results which show how absolutely impracticable this measure is. What will happen? An invoice will be submitted to the Comptroller-General, who will ascertain that certain articles, similar to others manufactured in Australia, have been purchased abroad at a figure so small as to be deemed below the cost of production in the coun-

will know that competition will arise, but he cannot tell at what price the importer may sell, and can only assume, from the price abroad, that it will probably be low. If the word "probably" be left out there will be thrown on the Comptroller-General or the Justice the responsibility of determining the question of what may happen in the future.

Senator DRAKE (Queensland) [9.30].—It seems to me to be a very unsatisfactory thing for a Court of Justice to be occupied in determining whether something is going to happen. I do not remember any Act of Parliament in which that expression is used. It is something quite new, strange, and portentous. I do not remember any Act under which a Court of Justice is required to sit and decide upon the probability of a thing. Of course, almost every case that comes before a Court is a matter of probability, but it is never so expressed in Acts of Parliament. A Judge and jury sit to try a case, and find certain facts; or a Judge sitting without a jury finds, on evidence, after listening to both sides. But the word "probably" is here used. The Court is to hear evidence on both sides, and determine whether something will "probably" happen.

Senator BEST.—Is not "reasonable and probable cause" an expression familiar to the honorable senator?

Senator DRAKE.—Certainly.

Senator BEST.—This is just the same.

Senator DRAKE.—No. In cases of libel, where a person has "reasonable and probable cause" to say a certain thing the term is used. But that is what exists in the mind of a certain person. The "reasonable and probable cause" is urged as a justification for saying certain things. But I never heard of a Court being required to sit and decide whether a thing is "probable" or not.

Question.—That the word proposed to be left out be left out—put. The Committee divided.

Ayes	...	...	...	7
Noes	...	...	...	17
				—
Majority	...	...	...	10

AYES.

Baker, Sir R. C.
Dobson, H.
Drake, J. G.
Macfarlane, J.

Pulsford, E.
Walker, J. T.
Teller:
Millen, E. D.

NOES.

Best, R. W.
Croft, J. W.
de Largie, H.
Findley, E.
Givens, T.
Guthrie, R. S.
Henderson, G.
Higgs, W. G.
Keating, J. H.

McGregor, G.
Mulcahy, E.
Pearce, G. F.
Stewart, J. C.
Styles, J.
Trenwith, W. A.
Turley, H.
Teller:
O'Keefe, D. J.

PAIRS.

Gould, A. J.
Symon, Sir J. H.
Neild, J. C.

Dawson, A.
Playford, T.
Fraser, S.

Question so resolved in the negative.

Amendment negatived.

Amendment (by Senator PEARCE) agreed to—

That the following words in sub-clause 2 be left out:—"In the following cases the competition shall be deemed unfair unless the contrary is proved."

Senator PEARCE.—I presume that the word "if" at the commencement of each of the paragraphs in sub-clause 2 will be dealt with as clerical amendments.

The CHAIRMAN.—Yes.

Senator DRAKE (Queensland) [9.39].—I should like to call attention to the probable effect of this clause upon what I believe are called bargain sales. A man goes into the European market, and he buys goods cheaply. He brings them out to Australia, and may sell them at a price greatly below the ordinary cost of production. I believe that is done to a large extent with drapery goods, which at the end of a season are sold at a very low price indeed. They are brought out to Australia by merchants, and sold, I suppose, profitably to themselves. In these cases I do not think that there is any *prima facie* evidence of an attempt, by unfair competition, to ruin Australian industry. In a great many cases the goods do not compete with any Australian industry.

Senator TRENWITH.—Then the Bill would not apply.

Senator DRAKE.—But some may compete, and some may not. Take a case in point. A man may purchase a quantity of drapery in the old country at a low price, intending to sell it in Australia. There may be a quantity of neckties amongst the goods. There is, I believe, a factory in Melbourne making neckties.

Senator MULCAHY.—There are scores of lines to which the same argument will apply.

Senator DRAKE.—It would be possible under clause 19 for a rival trader to go

to the Comptroller-General and point out that this importer was selling neckties at a price below the cost of production. All the machinery of this Bill would possibly be put into operation in a case of that kind. Yet I do not think that such conduct could properly be called "unfair competition."

Senator PLAYFORD.—The Comptroller-General or the Justice must be left to settle these points.

Senator DRAKE.—I am afraid that it will mean a terrible dislocation of trade. It must be borne in mind that we have already passed clauses which it is contended enable action to be taken in a State with regard to these matters. I call attention to paragraph *d*. In a case where goods are imported for a manufacturer, and are being sold in Australia at a price less than gives the person importing or selling them a fair profit upon their foreign market value, the competition is deemed to be unfair. Say that a man goes to England, or some foreign country, buys goods very cheaply, and sells them here. It does not seem to me to be right that that should be held to be "unfair," unless the contrary is proved. It is bringing matters down rather too low.

Senator PLAYFORD.—The honorable senator should be satisfied with having introduced the words "unless the contrary is proved."

Senator DRAKE.—Those words do not affect the point I am now making. I really think that the Committee might consider the desirableness of striking out paragraph *d*. I move—

That paragraph *d* of sub-clause 2 be left out.

Senator PULSFORD (New South Wales) [9.44].—I hope that the Committee will have the wisdom to omit paragraph *d*.

Senator PLAYFORD.—The honorable senator would like us to omit the whole Bill.

Senator PULSFORD.—I should be glad if the Minister would have the wisdom to dump the whole thing into the waste-paper basket. But I have no expectation that he will be so wise in his day and generation as that. This paragraph is, I suppose, without a parallel in the legislation of the world.

Senator TRENWITH.—It shows how far in advance of other countries we are.

Senator PULSFORD.—I think it shows how much behind other countries—even countries like Russia and China—we are.

Does the honorable senator think that Russia or China would enact such legislation? Does he think that the Czar of Russia would cut off the head of any person who in Australia bought cheap wool and took it to Russia, or that the Mikado of Japan would deal in that way with a man who bought cheap grain in Australia and took it to Japan?

Senator TRENWITH.—But we are not proposing to cut off the head of any one.

Senator PULSFORD.—That is only my figurative way of putting the position. If any one happened to get goods at a cheap price abroad, and sell them at a corresponding price in Australia, that would be a crime. If the measure is passed, I shall take advantage of every opportunity I can to let that fact be known. I consider that the backbone is going out of the community. We are getting to be a race of cowards, and to be afraid of our own shadows. I hope that the Committee will have the wisdom and common-sense to throw out the provision.

Senator MULCAHY (Tasmania) [9.47].—I have already pointed out that this sub-clause is making an offence of that which really is not an offence. I believe that I am well within the mark in asserting that on the water and in the Customs sheds at the principal ports there are at this very time large quantities of goods which were bought in London for the Australian market at the end of the last summer season, and which, to a certain extent, might for a time slightly injure Australian industries.

Senator TRENWITH.—Then we had better pass the Bill quickly.

Senator MULCAHY.—For what purpose?

Senator TRENWITH.—In order to stop that injury from being done.

Senator MULCAHY.—Are we to cut off our noses in order to spite our faces? A large proportion of these goods will pay the highest rate of duty which has been imposed, and of which I approve. That is the proper and legitimate way to keep out goods. Yet it is proposed to prevent the public from getting the benefit of this overplus of last summer's stock. I again enter my protest against this insane legislation.

Senator WALKER (New South Wales) [9.50].—A short time ago, Senator Playford assured me that it was not intended to prevent persons from buying goods when they were sacrificed in the Home market and bringing them into the Commonwealth.

Senator MILLEN.—Did he say that in the Chamber?

Senator WALKER.—No, in conversation with me. I really cannot find language sufficiently strong to express my disgust at the provision. Not long ago, in Sydney, I went into a shop, where a bookseller showed me a pile of books all huddled together. I inquired casually, "What are these books?" He said, "These are unsaleable books." "What do you want for them?" I asked. When he replied, "I want £5," I inquired, "Will you store them for me?" and he said, "Yes." I got 1,500 books for £5, and I immediately began to give presents to all kinds of institutions. For my own library, I picked out £5 worth of good books, and asked various friends to go and help themselves.

Senator STYLES.—At what shop?

Senator WALKER.—At the shop of Angus and Robertson. I was told that the books were the refuse of various libraries, but I found most valuable works amongst them. Under this Bill, if I were a bookseller, it would be a criminal act on my part to sell the books at a price less than that at which they could be produced in Australia. I hope that the Committee will be serious, and throw out the provision.

Question.—That paragraph *d* of sub-clause 2 be left out—put. The Committee divided.

Ayes	...	...	...	8
Noes	...	...	...	14
Majority				6

AYES.

Baker, Sir R. C.
Drake, J. G.
Macfarlane, J.
Mulcahy, E.
Pulsford, E.

Smith, M. S. C.
Walker, J. T.

Teller:

Millen, E. D.

NOES.

de Largie, H.
Findley, E.
Givens, T.
Guthrie, R. S.
Henderson, G.
Higgs, W. G.
Keating, J. H.
McGregor, G.

O'Keefe, D. J.
Pearce, G. F.
Stewart, J. C.
Styles, J.
Trenwith, W. A.

Teller:

Turley, H.

PAIRS.

Symon, Sir J. H.
Gould, A. J.
Dobson, H.
Neild, J. C.

Playford, T.
Dawson, A.
Best, R. W.
Fraser, S.

Question so resolved in the negative.

Amendment negatived.

Senator PEARCE (Western Australia) [9.55].—I move—

That the words "the efficiency of," in sub-clause 3, be left out.

This is a consequential amendment.

Senator MILLEN.—What words does the honorable senator propose to insert?

Senator PEARCE.—I propose to ask the Committee to add to sub-clause 3 the following words:—"being reasonably efficient, effective, and up-to-date."

Senator PLAYFORD.—These words were inserted in another clause the other night.

Senator DRAKE (Queensland) [9.56].—I have no objection to the amendment if the Government are satisfied with its language, but I have not yet seen the expression "up-to-date" used in an Act of Parliament.

Senator PEARCE.—It was used by Senator Symon in an amendment which he proposed, so that I am following the lead of a high authority.

Senator PLAYFORD.—And it has been used in a previous clause.

Senator DRAKE.—I am not a purist in language, but I thought that the expression "up-to-date" was slang. I have not heard of it being used in an Act of Parliament. I am rather inclined to think that it would raise a smile when the Justice was called upon to interpret the term.

Senator PLAYFORD.—This is only a consequential amendment.

Senator DRAKE.—I observe that Senator Pearce gave notice of an amendment in which he used much better language. He then proposed to add to this sub-clause the following words:—

being reasonably efficient and effective, and no competition shall be deemed unfair if the Australian industry is ineffective and inefficient in its management, processes, and machinery.

Senator PLAYFORD.—This amendment is only consequential upon an amendment which was made the other day in another clause.

Senator DRAKE.—What is it consequential upon?

Senator PLAYFORD.—It is consequential upon the insertion of exactly the same words in a previous clause.

Senator DRAKE.—I am sorry that Senator Pearce is not using the words which he used in his contingent notice.

Senator PEARCE.—It was pointed out to me that the words I gave notice of would destroy the effect of the whole clause.

Senator DRAKE.—Why?

Senator PEARCE.—Because it would make the competition hinge upon that one thing alone.

Senator DRAKE.—I do not think so. At any rate, it would make quite clear what before was ambiguous in the sub-clause. On a previous occasion I pointed out that it was rather ambiguous, because it does not clearly state whether the fact that the management and the processes and the machinery were up-to-date should be a special reason, or whether it should be a reason for withholding the aid proposed to be given. I have no objection to the amendment, because I think that it should be a consideration in connexion with extending the provisions of the measure to the preservation of any industry. Perhaps I may have been misunderstood in regard to something which was said by Senator Millen when we were discussing another clause. I then referred to this provision incidentally, and it gave rise to a debate on the subject. I entirely agree with the view which was laid down by Senator Millen then with regard to the provision, so far as it applies to a system of protection by means of a Tariff. I think that the Tariff should be raised to just such a height as would compensate for the extra cost of wages, the proper conditions of living, and so on, in the country where the industry was protected. But I do not think that it should be raised to such a height as to encourage persons to manufacture under inefficient management, or by processes, plant, and machinery which were not up-to-date. That, however, will be the effect of this sub-clause. Whilst I consider that this a right principle on which to go in dealing with protection by means of a Tariff, I think it is not a proper principle to adopt where the attempt is made to give protection by means of prohibition. My idea of a protectionist Tariff is that it should protect our own industries, but not altogether shut out the importation of goods from outside, so that there may be a steady and fair competition between the imported article and the article locally produced. It is because this provision does not fit in with prohibition that I am confirmed in my opinion that protection by prohibition is not right. If we are going to have prohibition at all I do not see why we should not apply it for the benefit of all industries, including those that are not up-to-date. I repeat that I do not believe in protection by prohibition, but by means of a Tariff.

If we protect by means of a Tariff it operates to benefit industries in all stages. Every industry gets the full benefit of the protection afforded by a Tariff, whether it be large or small. Industries established in out-of-the-way places, and in connexion with which it has been said that distance gives them an additional protection, get equal protection from a Tariff with big industries established in large centres of population. But under this provision, as I pointed out before, the unfairness will be that aid will not be given to an industry until it becomes a big affair. This provision does not seek to aid struggling industries, which may be affected by the imported article, and be crushed out of existence. I ask honorable senators to take notice of the fact that under this Bill industries will only receive protection when they are completely organized, and are reaching out for a local monopoly. Some parts of the Bill are supposed to be against monopolies, yet under this particular provision aid will not be afforded to an Australian industry until it has been so far established that it can aim at securing a local monopoly. Then it can avail itself of the protection afforded by this measure to shut out outside competition, and to enable it to establish itself as a local monopoly. There is nothing in this Bill to help small industries. From first to last, and in every line, it is saturated with capitalism.

Senator MILLEN (New South Wales) [10.6].—I think that Senator Pearce's amendment, while constituting an alteration in words, does not constitute an alteration in the intent of the sub-clause the honorable senator seeks to amend. It seems to me that the words of the amendment are not happily chosen, and will require some alteration before we adopt them. I take it that what is desired by Senator Pearce, the draftsman of the original sub-clause, and by the Committee generally, is that when the Comptroller-General or Justice is called upon to determine a question under this part of the Bill, he shall consider whether the management, processes, plant, and machinery in the local industry are reasonably efficient. The difficulty, in my mind, is as to whether Senator Pearce's amendment exactly expresses that.

Senator PEARCE.—It is expressed in exactly the terms the honorable senator has just used.

Senator MILLEN. — I have no objection to the words of the amendment in

themselves, but coupled with the words of the sub-clause, it seems to me that their meaning will be affected. If the amendment were adopted the sub-clause, as amended, would read—

In determining whether the competition is unfair, regard shall be had to the management, the processes, the plant, and the machinery, employed or adopted in the Australian industry affected by the competition, being reasonably efficient, effective, and up-to-date.

I think I might safely say that that is a cumbersome form, although I make every allowance for the difficulty with which an honorable senator is necessarily confronted in seeking to frame such an amendment in the Chamber.

Senator TRENWITH.—I think that we require the words "as to whether."

Senator MILLEN.—Senator Trenwith has detected what seems to me to be the weakness of the amendment. Without some such words as the honorable senator has suggested, it appears to me that Senator Pearce's amendment may be read to be an affirmation that the processes, management, and plant are efficient and up-to-date. What we require is some form of words which will make it necessary for the authority to consider whether they are or are not. If Senator Pearce will accept Senator Trenwith's suggestion that may overcome the difficulty.

Senator PEARCE (Western Australia) [10.9].—The difficulty might be overcome if I were to move that the words "to the efficiency of" should be left out, with a view to insert in lieu thereof the words "as to whether." Personally, I am satisfied with the amendment as I have already moved it. If the amendment now suggested were made, the sub-clause would read—

In determining whether the competition is unfair, regard shall be had as to whether the management, the processes—

and so on. I think it would be better to leave the amendment as it is.

Senator MILLEN (New South Wales) [10.10].—Personally, I cannot agree to allow the amendment to pass as it stands. Whilst the idea conveyed to the Committee by Senator Trenwith's interjection was absolutely correct, I am afraid that the words he suggested would not fit in. What is wanted is a form of words which will convey a direction to the authorities called upon to adjudicate under this Bill to take into consideration the question of whether the

ment and appliances. But either the clause or the amendment shall simply give our manufacturers what they ask for bread.

Senator PEARCE.—Does senator think that the word meets his objections?

Senator STEWART.—I in the word "reasonably." I we are asked to as much as machinery employed, for in weaving of cloth in Australia to the machinery used in Great United States, Germany, highly organized country, the Australian industry shall not have a fair competition. Did any one ever hear of a ridiculous proposition? I could understand free-traders voting for it, but how a protectionist, who has lost the use of his senses, can see this is a conundrum. I am satisfied, as a protectionist, to give, as I say, Australia the command of the market, and to then allow free competition to bring the industry to its proper position; and if, at that time, the manufacturers form a union, it is to the detriment of the country. They may be dealt with as they see fit. I do not know whether the Government intend to insist on this clause; on the other hand, to reach out for protection to the vulnerable or possible manufacturing industry in Australia, and, with the other hand, to give away, is a mere pretence.

Senator DRAKE.—And free trade will have the effect of building up the industry.

Senator STEWART.—Senator Drake points out, the Bill, as it is, assisting struggling infant industries, to protect highly organized industries, and to actually assist foreign dumped goods to compete with the former. I call on every senator who regards protection as a necessary evil, to vote against both the clause and the amendment.

Senator MILLEN (New South Wales) [10.22].—Just now the Minister of Finance made a suggestion which I have no doubt is *bonâ fide* so far as the interests of the country are concerned, but which indicates that he has missed the whole point of the matter. The honorable gentleman would have us consult the Parliament, and that if more lucidly explained, we would find he would adopt them. However, that there is a difference, merely in the words, but in

Senator MILLEN.—I ask the Minister to afford us an opportunity to-morrow to recommit the Bill if any one makes a request to that effect.

Senator PLAYFORD.—Am I to consent to a recommitment, whether the request be reasonable or unreasonable?

Senator MILLEN.—Does the Minister think that any honorable senator is going to come forward with an amendment that could be termed absurd? Surely no one would waste time in trying to secure a recommitment for the purpose of making an absurd amendment! If a recommitment is asked for, it will be because the honorable senator making the request honestly believes that he has framed a form of words which should be adopted.

Senator PLAYFORD.—We have been on this clause all the evening, and if I agree to a recommitment to-morrow the whole discussion may take place over again then. Once a debate of this kind commences one never knows when it will end.

Senator MILLEN.—I should like the Minister to say straight out what he will do.

Senator PLAYFORD.—I do not promise to recommit; but if a suggestion is made which commends itself to my judgment as reasonable I shall agree to a recommitment.

Senator MILLEN.—I admit my inability to draft now an amendment which will satisfy my view as to the words which should be adopted, and will express the ideas of the Committee. The Minister understands the difficulty of doing this. Therefore I ask for the opportunity to draft, between now and to-morrow, an amendment which will be an improvement upon sub-clause 3, and the promise of a recommitment for its consideration.

Senator PLAYFORD.—I promise an opportunity to seek a recommitment, because, in doing so, the honorable senator will have to state what he proposes, and if I think that his proposal should not be considered, and the Senate backs me up, there will be an end to the matter. I do not wish to promise to go into Committee in any case, because in Committee honorable senators may speak as often as they like, and a great deal of time may be wasted.

Senator MILLEN.—I thank the Minister for promising to allow me to exercise my rights.

Senator PLAYFORD.—I wish to meet the honorable senator; but we have occupied a phenomenally long time in discussing the Bill.

Senator MILLEN.—The Minister has caused more time to be wasted over this clause than would have sufficed to alter it. He, of course, may be a better judge than I am as to how far public business will be expedited by refusing my request.

Senator PLAYFORD.—I have too often agreed to recommitments, and found out afterwards that I had made a mistake in doing so.

Senator MILLEN.—I shall not make the request again. Senator Stewart has placed his finger upon a provision which raises the fiscal question. On the second reading, speaking as a free-trader, I stated that the effect of the Bill would be that those who would benefit by it would be the persons connected with our big industries. A number of my protectionist friends resented that assertion, regarding it, no doubt, as due to free-trade prejudice; but now Senator Stewart, a protectionist, shows clearly that the measure will play into the hands of those connected with our big industries, and will assist in crowding out the little industries. Whilst I do not agree with the arguments put forward last night by Senator Drake, I recognise that the Bill will have the effect which he affirms. I need hardly remind honorable senators that both free-traders and protectionists, if they differentiated at all, would prefer to do so in favour of the small industries as against the large, and I appeal to those who indorse that opinion to take action, even at the eleventh hour, which will prevent the whole of the benefits of the Bill from going to the big manufacturers in the cities of the Commonwealth.

Senator MCGREGOR. — Would it not be better to throw out the Bill altogether?

Senator MILLEN.—As a free-trader, I should gladly do so; but, although I recognise that that is impossible, I do not shirk my responsibility for making the Bill as perfect as it can be made.

Senator STANFORTH SMITH.—The honorable senator will not throw it up if he cannot throw it out.

Senator MILLEN.—The honorable senator would be the last to forsake his post or abandon his guns, and I cannot do better than make a humble attempt to follow his bright example. Although I regard the Bill as a pernicious one, the obligation lies upon all of us, and particularly upon the protectionists, to see that its provisions will not lead to discrimination between one manufacturer and another, or between one

industry and another; or, if there must be discrimination, that it shall be in favour of the small struggling industries rather than in favour of the big inflated ones. There may be some difficulty in framing amendments which will have this effect; but that should not deter us from making the attempt. This difficulty cannot be greater than those which will have to be faced in connexion with the administration of the measure. To strike out the sub-clause, as suggested by Senator Stewart, would hardly accomplish the object in view. It provides that, in determining whether competition is unfair, regard shall be had to the question whether the management, processes, plant, and appliances of an industry are efficient. I do not see that it would assist the case which the honorable senator has at heart to strike out that provision. He should have interposed in connexion with clause 17, though there will still be an opportunity to give effect to the principles which he has enunciated if he will join to-morrow in the request for a recom-mittal.

Senator PEARCE. — Will the honorable senator assist him?

Senator MILLEN.—Yes, if he asks for the recommittal of sub-clause 3.

Senator TRENWITH.—After half-past 4.

Senator MILLEN.—Up to five minutes to 5.

Senator PLAYFORD.—But not after that.

Senator MILLEN.—Yes, if I am here; and, no doubt, if I am, I shall find the Minister present. It will still be possible for Senator Stewart to-morrow to ask for a recom-mittal, and then to propose an amendment which would give effect to the object which he has at heart. Failing that he could propose a new clause. If Senator Stewart prepares a new clause and brings it forward, I am sure that, apart from the support that he ought to get from those who believe in protectionist principles, he will get mine—not on the ground that I am a supporter of the Bill, but because I believe that if it is going through it ought to be made a reasonable and equitable measure. Amongst other things which I think are necessary for the proper conduct of business is a sufficient number of honorable senators to conduct it. I am not quite sure that we have a sufficient number present now. [*Quorum formed.*]

Senator DRAKE (Queensland) [10.39].

—I am very glad that the discussion has drawn attention to the real character of

the Bill. I wish I could have directed the same attention to it when we were discussing clause 17, because it is connected with the clause under discussion to a large extent. I do not think that Senator Stewart will be able to achieve all that he desires by striking out the provision to which he objects, because it will still be optional, in putting the Bill into operation, to give the benefit of it—whatever that may be—to the big industry, and not to the small one. But the important thing about this sub-clause is that it does show clearly what the intention of the Bill is. It is a most important provision; and, as I have pointed out before, it is capable of two diametrically opposite readings. The interpretation given to it by the Government and accepted by most honorable senators is that the benefit of this measure will not be given to any industry unless the management, processes, plant, and machinery are efficient and up-to-date. No matter how strongly inclined the Comptroller-General might be to give assistance to an industry he could not do it unless the industry had arrived at that stage when it was employing the most efficient plant, machinery, and processes, and when the management was everything that could be desired. What does that mean? It means an industry that is fully equipped, and that probably has, after years of operation and years of experience on the part of the management, put itself in such a position that it is possibly able to crush out smaller industries, and to compete for the whole of the trade of Australia.

Senator PLAYFORD.—We have heard all this two or three times.

Senator DRAKE.—And it is very interesting. The last occasion when I directed attention to the point was when I was speaking on clause 17. Unfortunately, at that time a considerable number of honorable senators were out of the chamber, and did not hear the argument. It is quite clear that no help is to be given under this Bill to an industry until it has arrived at that stage when it is perfectly equipped. That is what I object to. I said, when speaking on the second reading, that I objected to the Bill because it means protection by prohibition, and I hold that that is contrary to the ordinary practices and beliefs of protectionists.

Senator FINDLEY.—In what worse position would the small manufacturers be

under this Bill than if there were no such Bill?

Senator DRAKE.—Their position would not be improved.

Senator FINDLEY.—They would be no worse off anyhow.

Senator DRAKE.—They would be in competition with the highly equipped factories in the capital and also in competition with the importers. They would be subject to that double competition. They might go down under it, and the big industry in the city would go ahead, and get more and more of the trade. Then, when presumably it was in a position to stand alone—because it had adopted all the recent improvements in plant, machinery, and processes—the big industry would go to the Government and ask for still further assistance by absolutely prohibiting the introduction of goods that could compete with it. It is, I contend, no part of the doctrine of protection to shut out an article entirely. By destroying competition—the wholesome competition between imported goods and goods produced locally—the consumer is placed absolutely at the mercy of the local producer. Senator Findley knows that very well, and he would not, I think, at the present time assent to this measure if it were not for the provisions in it with regard to the remuneration of the workers. Special care is taken to see that in all these cases part of the benefit of the Bill is given to the workers, that they shall receive due remuneration, and that their conditions shall be what they ought to be. I quite approve of that; and that is what I say has induced many honorable senators to accept the Bill. It is, however, clearly a capitalistic Bill. It is a Bill ostensibly to put down monopolies but which tends to create monopolies. It constitutes in itself a conspiracy between a certain section of workers and capitalists to fleece the consumers. That is the meaning of it; and the usefulness of the clause under discussion is that it tells us exactly what is meant. Because, if you put the interpretation upon the clause that is put upon it by the Government, the aid of this Bill cannot be given to any industry unless it has established itself in such a position that it is prepared to undertake the production of an article to supply the whole of Australia, and has therefore become a monopoly. This is a Bill which is supposed to put down monopolies, but it is perfectly clear that the object of it is to

assist monopoly. I have not mentioned the odious name myself, but it has been mentioned by honorable senators opposite repeatedly. I refer to a gentleman who is engaged in the industry here, and who is known to be a strong supporter of the Bill. There is a case of an industry which for a long time has been competing with smaller local concerns. It has established itself in such a position that it is prepared to supply the wants of all Australia, but, under this measure, it could come and ask, not for protection by means of a higher Tariff which would apply all round, but for prohibition, which would give it a special advantage, and enable it to capture and retain the whole of the trade of Australia. That is not a thing which protectionists should desire—it is a departure from the true doctrine of protection. Scientific protection, as understood in Victoria so far, has been protection by means of a Tariff, and that Tariff was designed to particularly protect all the industries within that State. In asking for prohibition under this Bill, however, protectionists are taking a step which I think they will live to regret. This sub-clause is capable of two diametrically opposite readings. Surely in that case it is desirable to draft a clause which would state exactly what was meant! The amendment which was first drafted by Senator Pearce seems to carry out that idea. It states distinctly in what way this consideration shall operate. The peculiar feature of the sub-clause is that it says that consideration shall be had to the condition of the management, processes, plant, and machinery; but it does not say whether that consideration is to sway the Court in a certain way or in exactly the opposite way. It would be possible for the Court to come to the conclusion that the protection of the measure was not to be given to the factory which had all the up-to-date appliances, and which probably could stand without that aid, but was to be given to the other factories. Surely the English language is capable of framing a provision which would not be open to the possibility of such diametrically opposite reasons. We seem to be stuck. Senator Pearce tabled an amendment which would show what was meant, but he ran away from it and proposed another which would leave the sub-clause just as ambiguous as it is, and which, if adopted, would only have the effect of weakening the expressions used before in the clause. It is very weak on the part of

the Committee to slum its work in the expectation that it will be corrected elsewhere. It should be able to frame any Bill in a form to which it would be prepared to stand.

Senator PLAYFORD. — If the honorable senator objects to the provision, why does he not suggest a proper amendment?

Senator MILLEN (New South Wales) [10.50].—The more I look at the clause the less I like it. Senator Playford has said that we have had ample time in which to prepare an amendment. Now, for an ample time we have had in print an amendment which admirably meets my idea, and that is the original amendment of Senator Pearce.

Senator PEARCE.—I gave the honorable senator a type-written copy of my amendment at the table three or four days ago.

Senator MILLEN.—I assure the honorable senator that I did not look at the document until this evening. Being type-written, I apparently did not notice it, as I noticed his printed amendment on my file with others. As it is not too late to move his admirable amendment, because in either case the words "efficiency of" would have to come out, I wish to point out why it should commend itself to the Committee as an alternative to the words which he proposes to add. By his original amendment he proposed to add to the sub-clause these words—

being reasonably efficient and effective, and no competition shall be deemed unfair if the Australian industry is ineffective and inefficient in its management, processes, and machinery.

At first sight, it appeared to me that those words went perhaps a little too far, but on reflection I am not at all certain whether they do not present the best form of amendment which has yet been offered. I gather, from interjections and other signs, that honorable senators quite accept the proposition that the Bill is not designed to foster or help negligent business men, obsolete plant, slovenly or inefficient methods of any kind, but is intended to insure that Australian industry, when properly carried on under good management and with good plant and appliances, shall be shielded from the unfair competition of unscrupulous persons outside. If that be the purport of the Bill, I can see no reasonable objection to the amendment of Senator Pearce, as originally drafted. On the other hand, to resist the view set out in the

amendment is, unless, of course, we have an equivalent clause, to ask us to place the public of Australia—the great body of the consumers—entirely at the mercy of an industry which might be a generation behind the times, under incompetent management, and altogether without the spur necessary to keep it up to modern requirements. I am quite sure that honorable senators do not wish to do that, or, at any rate, if they do, I feel certain that the great body of the public do not, and we have at least to pay a little consideration to them. I wish to deal now with another aspect of the question, which also bears upon the words it is proposed to delete. Senator Drake has just suggested that a case might arise where some factories would be efficient and others inefficient. What would be the determining factor there? Suppose that in an industry there were twelve businesses with the most enterprising managers whom Australia could produce, and the most modern plant and machinery, and twelve businesses with inefficient management, obsolete plant, and ineffective machinery. How would the Court determine whether the industry was to receive the protection of the Act or not? In its efforts to determine the point the Court might have to take the number of hands. There might be an equal number in each case, or less hands might be employed with the superior machinery, where more capital was invested, than with the inferior machinery, where less capital was invested. How the Court could balance the capital against the number of hands is more than I can say. Under these circumstances, it appears to me that it would be better to strike out the sub-clause, not because I do not think that some such provision is necessary, but because if we struck it out we should throw upon the Government the onus of drafting another that would more adequately express what the Ministers say is in their minds, and what is clearly in the minds of the members of the Committee.

Senator GIVENS.—How would it do to strike out the whole Bill?

Senator MILLEN.—If I had my way I should strike out of the Bill all the provisions but those relating to the restraint of trade with which I have indicated that I am in accord. As it is not possible to do that, I think it is incumbent upon us to improve the Bill as far as it is capable of improvement.

Senator GIVENS.—The honorable senator's idea of improvement is to make the Bill ineffective.

Senator MILLEN.—No, I do not wish to make it ineffective. We are all agreed as to the object that it is desired to achieve. It is generally admitted that the words proposed by Senator Pearce do not express quite what the Committee means, and my sole object is to secure the adoption of language which will convey what is intended. Therefore I cannot be accused of any desire to destroy the Bill. I have yet to learn that it is an offence against parliamentary decorum for a senator to seek for the best possible words in which to set out the desire of the Committee. One of the obligations resting upon the Legislature is to express itself clearly and lucidly. We have been told that it is sufficient for us to insert any words whatever, and to leave it to some unnamed and irresponsible officer to express his approval or otherwise, and afterwards to throw the measure upon the tender mercies of the other Chamber. I do not believe that any honorable senator would venture to tell his constituents that that is the way in which he discharges his parliamentary duties. When Ministers are so neglectful of their duties a double responsibility is thrown upon those who, like myself, think that the clause is imperfect, and that the amendment is equally so, to devise some means of clearly expressing what is intended.

Question—That the words proposed to be left out be left out—put. The Committee divided.

Aves	...	...	19
Noes	...	...	4
Majority	...	...	15

AYES.

Baker, Sir R. C.	O'Keefe, D. J.
de Largie, H.	Pearce, G. F.
Dobson, H.	Playford, T.
Drake, J. G.	Smith, M. S. C.
Findley, E.	Styles, J.
Guthrie, R. S.	Trenwith, W. A.
Higgs, W. G.	Turley, H.
Keating, J. H.	Walker, J. T.
McGregor, G.	Teller:
Mulcahy, E.	Givens, T.

NOES.

Macfarlane, J.	Teller:
Pulsford, E.	Millen, E. D.
Stewart, J. C.	

Question so resolved in the affirmative.
Amendment agreed to.

Senator PULSFORD (New South Wales) [11.4].—I think that the Minister might reasonably consent to an adjournment. This is a very important Bill, and, as we have no other legislation to guide us in framing its provisions, there is every reason why we should give it the fullest consideration.

Senator GIVENS (Queensland) [11.5].—I am willing to assist in maintaining a quorum, as long as there is business to be done, and some useful work is being accomplished; but I strongly object to being kept here for hours, as we have been since tea time, unless some progress can be made. During the whole evening we have not finally dealt with one clause. The enemies of the Bill have been talking for mere talking's sake, and with a view to blocking the Bill. I have no objection to sit as long as may be necessary to do the business.

Senator MILLEN.—I rise to a point of order. Is it competent for an honorable senator to accuse other honorable senators of talking for talking's sake?

The CHAIRMAN.—I hope that Senator Givens will withdraw the words, because it is not in order to attribute improper motives to other honorable senators.

Senator GIVENS.—I withdraw the words, and admit that I was quite wrong. I should have recognised that no man in his senses would talk as honorable senators have been talking for mere talking's sake.

Senator PULSFORD.—I rise to a point of order. I have not been talking for talking's sake, but with a very strong, keen sense of duty.

The CHAIRMAN.—What is the point of order?

Senator PULSFORD.—Senator Givens has charged other honorable senators and myself with talking for talking's sake.

The CHAIRMAN.—Senator Givens has just withdrawn that statement.

Senator GIVENS.—I wish to intimate that I am willing to assist in keeping a House so long as I see any determination to do business; but I shall not assist to keep a House for five minutes if I do not observe some disposition on the part of honorable senators or the Government to make some progress.

Senator PLAYFORD (South Australia —Minister of Defence) [11.7].—I certainly think that we ought to have made more progress with the Bill. We have spent a considerable time on this one clause, and we have heard over and over again the arguments which were advanced on the second

reading, and in connexion with previous clauses. To any fresh arguments we should, of course, be very pleased to listen.

Senator MILLEN.—There is no doubt there has been fresh arguments, because the Minister has accepted an amendment, though it took two hours to convince him of its necessity.

Senator MULCAHY.—There has been no waste of time, because all the discussion has been relevant to the clause before us.

Senator PLAYFORD.—The fact that the Government have accepted an amendment shows that we are open to conviction and not unreasonable. I must ask honorable senators, however, to assist me in making some little further progress to-night. I cannot of course, expect to complete the consideration of the Bill.

Senator MCGREGOR.—Why not?

Senator PLAYFORD.—I am afraid that after a certain hour some honorable senators may leave, and that it will not be possible to keep a quorum, with the result that the Bill would disappear from the notice-paper, and our last state would be worse than the first. Senator Symon, the leader of the Opposition, before he left to-day, told me that he was prepared to allow the Bill to go through to-day, and had he remained, I think I should have been able to do more than I have with my young friend, Senator Millen.

Senator PULSFORD.—We can complete the consideration of the Bill to-morrow.

Senator PLAYFORD.—But we have devoted more time to this Bill than there is any necessity for. There has to come before us a Bill to amend the Constitution and that must be passed two months before the elections, in order to enable the question to be remitted to the people by referendum. Then, I remind honorable senators that until the Appropriation Bill, relating to new works and buildings, is passed, new works are at a standstill.

Senator MILLEN (New South Wales) [11.11].—I understand that the question before us is the addition of certain words, and I suggest that Senator Pearce, instead of submitting the amendment of which he has given notice, should propose the addition of the words which are common to both amendments, namely, "being reasonably efficient."

Amendment (by Senator PEARCE) agreed to—

That the words "being reasonably efficient" be added to sub-clause 3.

Senator MILLEN (New South Wales) [11.15].—It is my desire that we should now add the words "and effective, and no competition shall be deemed unfair if the Australian industry is ineffective and inefficient in its management, processes, or machinery." For the present, however, I merely wish to ask members to vote upon the addition of the word "and."

Senator PEARCE.—As a test vote?

Senator MILLEN.—Exactly. I therefore move—

That the word "and" be added to sub-clause 3.

Question—That the word proposed to be added be so added—put. The Committee divided.

Ayes	...	...	...	6
Noes	...	...	...	13
Majority				7

AYES.

Drake, J. G.	Walker, J. T.
Macfarlane, J.	
Mulcahy, E.	Teller:
Pulsford, E.	Millen, E. D.

NOES.

Givens, T.	Playford, T.
Guthrie, R. S.	Smith, M. S. C.
Higgs, W. G.	Stewart, J. C.
Keating, J. H.	Trenwith, W. A.
McGregor, G.	Turley, H.
O'Keefe, D. J.	Teller:
Pearce, G. F.	Findley, E.

PAIRS.

Gray, J. P.	Henderson, G.
Dobson, H.	Best, R. W.
Gould, A. J.	Dawson, A.
Neild, J. C.	Fraser, S.

Question so resolved in the negative.

Amendment negatived.

Amendment (by Senator PEARCE) proposed—

That the words "effective and up-to-date" be added to sub-clause 3.

Question put. The Committee divided.

Ayes	...	...	...	12
Noes	...	...	...	7
Majority				5

AYES.

Findley, E.	Playford, T.
Givens, T.	Smith, M. S. C.
Guthrie, R. S.	Trenwith, W. A.
Higgs, W. G.	Turley, H.
Keating, J. H.	
McGregor, G.	Teller:
Pearce, G. F.	O'Keefe, D. J.

NOES.

Drake, J. G.
Macfarlane, J.
Millen, E. D.
Mulcahy, E.

Pulsford, E.
Walker, J. T.
Teller:
Stewart, J. C.

PAIRS.

Henderson, G.
Best, R. W.
Dawson, A.
Fraser, S.

Gray, J. P.
Dobson, H.
Gould, A. J.
Neild, J. C.

Question so resolved in the affirmative.

Amendment agreed to.

Clause, as amended, agreed to.

Clause 19—

1. The Comptroller-General, whenever he has received a complaint in writing, and has reason to believe that any person (hereinafter called the importer), either singly or in combination with any other person within or beyond the Commonwealth, is importing into Australia goods (hereinafter called imported goods) with intent to destroy or injure any Australian industry by their sale or disposal within the Commonwealth in unfair competition with any Australian goods may certify to the Minister accordingly.

2. The certificate of the Comptroller-General shall specify—

- (a) the imported goods;
- (b) the Australian industry and goods;
- (c) the importer;
- (d) the grounds of unfairness in the competition;
- (e) the name, address, and occupation of any person (not being an officer of the public service) upon whose information he may have acted.

3. The Comptroller-General may add to his certificate a statement of such other facts as in his opinion ought to be specified to give the importer fair notice of the matters complained of.

4. The Comptroller-General shall, before making his certificate, give to the importer an opportunity to show cause why the certificate should not be made and furnish him with a copy of the complaint.

5. On receipt of the certificate the Minister may—

- (a) by order in writing refer to a Justice the investigation and determination of the question whether the imported goods are being imported with the intent alleged; and, if so, whether the importation of the goods should be prohibited either absolutely or subject to any specified conditions or restrictions or limitations;
- (b) notify in the *Gazette* that the question has been so referred; and
- (c) forward to the Justice a copy of the certificate.

Senator DRAKE (Queensland) [11.25].—I have an amendment to propose. The Bill is one for the repression of trusts and combinations, but under this clause it may be an offence for one individual without any combination whatever to take certain action. The clause with which we have

just dealt is very stringent, and may interfere very prejudicially with trade. I am inclined to think that when disputes are brought before the Court, it will be found that some of these provisions are *ultra vires*. The American cases show that it has always been found very difficult to decide what is commerce between the States, and what is trading within a State. In this clause, we are dealing with imports, and the question will certainly arise as to when goods coming into Australia cease to be imports. A very subtle question is raised in the American cases as to the exact time when certain goods become exports. As soon as they may be so described, they come within the jurisdiction of the Federal power. A similar question will arise under this Bill; as to the exact moment when goods cease to be imports. I think that it will be found that as soon as goods have passed through the Customs House they cease to be imports, and that the Federal power has no longer jurisdiction over them. In that event, all attempts to apply the provisions of this Bill to those goods after they have left the Customs House would be *ultra vires*. The powers conferred by the Bill will have to be exercised before they leave the Customs Department. We have been dealing with provisions relating to the prices at which imported goods may be sold in the retail market of any State, and I think great difficulty will be found in exercising the Federal power with respect to them after they have passed out of the control of the Department. It will be difficult before they leave the Customs House to prove such a thing as is provided for in the clause with which we have just dealt. I have in mind the possibility of a trader in one of the States ordering goods from abroad in a perfectly *bonâ fide* way, landing them in Australia, offering them for sale, and quite unwittingly offending against the provisions of this Bill. He might sell these goods without any improper intention at a price below that at which they can be produced in the country from which he obtained them, and might, for instance, be harassed by a rival trader. A man carrying on business in the same street might know that he had received a shipment of goods that he must sell within a few weeks, or else lose the market, and thereby be induced to lay an information against him. I do not think it is intended that a man should be liable to persecution of that kind. The Bill is

aimed at improper combinations to destroy Australian industry.

Senator GIVENS.—It is also aimed at dumping.

Senator DRAKE.—The honorable senator is quite right. Having regard to the fact that the operation of another part of the Bill is restricted to the actions of combinations, I fail to see why we should not have a similar restriction in respect of dumping. I should like this clause to be so restricted that it would apply only to a combination—it might be a combination consisting of a local business man, and some one outside Australia—to injure an Australian industry. I therefore move—

That the words "either singly or," in sub-clause 1, line 4, be left out.

Senator MILLEN (New South Wales) [11.34].—I am not quite certain that the amendment is one which, bearing in mind the scope of the Bill, particularly commends itself to me. Senator Drake has drawn attention, however, to what appears to be a very serious contradiction in two of the clauses, one of them being the clause with which we are dealing. This clause provides that—

The Comptroller-General, whenever he has received a complaint in writing and has reason to believe that any person . . . is importing into Australia goods . . . with intent to destroy or injure any Australian industry by their sale or disposal within the Commonwealth in unfair competition with any Australian goods, may certify to the Minister accordingly.

Paragraph *d* of sub-clause 2 of clause 18, however, speaks of imported goods which are "being sold in Australia." How is the Comptroller-General to take action in regard to the importation of goods which have passed through the Customs, and, probably, after distribution through a wholesale house, are being sold by half-a-dozen retail establishments? Yet paragraph *d* makes it one of the reasons why competition shall be deemed unfair that goods are being sold in Australia at a price less than will give a fair profit.

Senator PEARCE.—It is not stated that they have passed out of the hands of the importer.

Senator MILLEN.—Importers do not, as a rule, sell direct to the public.

Senator PEARCE.—I know some do. Imported harvesters, for example, are sold by the importers.

Senator MILLEN.—Speaking generally, importers do not retail goods; they do not

act as retail distributors. Of course, there are cases like that to which the honorable senator refers, and I know that in Sydney large retail firms like Anthony Hordern and Sons, Mark Foy, and Marcus Clarke, do their own importing; but for every shop-keeper who is an importer there are probably 100 who get their supplies through the wholesale houses. Clause 19 directs the Comptroller-General what to do in regard to goods which are being imported in contravention of the law; but the clause which precedes it makes the offence which it is intended to prevent, that of selling goods to the public, and the goods can be sold only after they have passed out of the hands of the Customs officials, and, in most instances, out of the hands of the importers, too. It seems to me incumbent on the Minister to reconcile these apparently conflicting provisions, or, if there has been an oversight on the part of the draftsman, the Government, and the other branch of the Legislature, to rectify it. Clause 19 directs the Comptroller-General to impound goods if the complaint is made to him that they will enter into unfair competition with Australian goods, but in clause 18 unfair competition is defined as the selling of goods at reduced prices. How can the Comptroller-General take steps to impound goods which are being imported when the reason for impounding them is the fact that they are being sold in the shops? The two provisions read together are ridiculous, and it is astonishing that Ministers do not take immediate steps to put an end to the clear contradiction which has been pointed out. They should be grateful to Senator Drake for having drawn attention to the matter; but, apparently, they are content to overlook any absurdities, so long as they can get the measure through somehow.

Amendment negatived.

Senator PULSFORD (New South Wales) [11.43].—I move—

That the words "not being an officer of the Public Service," in paragraph *e*, sub-clause 2, be left out.

When an information is laid, the certificate of the Comptroller-General must specify the name, address, and occupation of the person upon whose information he has acted, except when that person is an officer of the Public Service. I think that the name of the informant should be specified in all cases, and that the amendment will commend itself to the common-sense of the Committee.

Senator MILLEN (New South Wales) [11.45].—Surely the Minister intends to tell us why the words proposed to be left out were inserted. His refusal to do so seems to inspire labour representatives with merriment; but less than a week ago, when he neglected to give them information on a less important matter, they became veritable volcanoes of indignation.

Senator PLAYFORD.—The honorable senator was at the bottom of that.

Senator MILLEN.—That is a poor sort of gratitude. The Minister himself has admitted that I saved him the trouble of making an explanation on that occasion, and, so far as any subsequent trouble is concerned, he cannot blame me, because I was not present. It seems to me that, where a general proposition is laid down that certain things shall be done, some reason should be given for it. I wish to know what that reason is, in order that I may make up my mind whether to support the amendment or not. The Comptroller-General is called upon, in his certificate, to give the names, addresses, and occupations of persons upon whose information he may have acted. Why should there be an exception in the case of a public servant? It is not as though the public servant would act on his own volition and knowledge. He would not. In ninety-nine cases out of a hundred he would be acting on information supplied in a secret and under-hand fashion. If a policeman proceeds against any person, his name is not suppressed. In this case, if an officer of the Department sets the machinery of the law in motion, why should he be kept out of the light? I hesitate to believe that such an extraordinary exception is made without good reason, but at the same time I plead that I and other honorable senators do not know what the reason is.

Senator PLAYFORD (South Australia—Minister of Defence) [11.50].—In the majority of instances it would be a Customs House officer who gave the information under this clause. He would ascertain, in the course of his duties, that certain imports were coming in. In the Customs Act we protect Customs House officers in this respect. So we ought to do. I believe that this provision is taken from the Customs Act, and it is for the protection of officers from, perhaps, huge combinations with great power, or individuals with great wealth, who might otherwise make matters troublesome for them.

Senator WALKER (New South Wales) [11.52].—I am rather surprised that the Minister should offer a premium to informers. I am under the impression that some honorable senators opposite have a perfect horror of informers. Yet they propose to support a clause that encourages such people.

Senator DRAKE (Queensland) [11.53].—The explanation of the Minister has convinced me, and if the matter is pushed to a division I shall vote against the amendment. The Customs officers occupy official positions, and any information which they give to the Department must be regarded as confidential. That is why the explanation satisfies me.

Senator MACFARLANE (Tasmania) [11.54].—The names, addresses, and occupations of persons who give information under this measure are not to be kept secret unless the informer is a Government officer. I cannot understand the reason for secrecy in his case. If this is left in the whole clause will as to the rest be useless, as all an informer will have to do will be to inform a Customs officer, and his name will not be disclosed. At any rate, it is wrong that the Customs officer should not state where he gets his information from. In the one case it is provided that the informer's name and address shall be published, and in the other case the Bill says that secrecy shall be observed. The distinction is altogether wrong.

Question—That the words proposed to be left out be left out—put. The Committee divided.

Ayes	...	...	...	3
Noes	...	...	...	16
				—
Majority	...	...	...	13

AYES.

Macfarlane, J.
Walker, J. T.

Teller:

Pulsford, E.

NOES.

Drake, J. G.
Findley, E.
Givens, T.
Guthrie, R. S.
Higgs, W. G.
Keating, J. H.
McGregor, G.
Millen, E. D.
Mulcahy, E.

O'Keefe, D. J.
Playford, T.
Smith, M. S. C.
Stewart, J. C.
Trenwith, W. A.
Turley, H.

Teller:

Pearce, G. F.

Question so resolved in the negative.
Amendment negatived.

Senator DRAKE (Queensland) [11.58].—I desire to omit from paragraph *a* of sub-clause 5 the following words—

and if so, whether the importation of the goods should be prohibited either absolutely or subject to any specified conditions or restrictions or limitations.

But as Senator Pearce has informed me that he wishes to move an amendment after the word "goods," I only move now—

That the words "and if so whether the importation of the goods," in paragraph *a*, sub-clause 5, be left out.

I propose to omit the words I quoted, on the ground that it would not be a proper matter for the Justice to decide. It is quite right that he should investigate and determine whether the goods were being imported with the intent alleged, and if he so decided, then the question as to any conditions or restrictions or limitations on the prohibition should be a matter for the Minister to settle. It is appropriate for the Justice to investigate and determine a question of mixed law and fact, as the question to be determined under the provision would be; but it is not desirable that he should be called upon to go into small details such as would be involved in an inquiry which would enable him to specify the "conditions or restrictions or limitations" on the prohibition. I do not know exactly what is meant by the term—in fact the Bill contains a great many things of which I do not know the exact meaning. But I presume that, if not entirely prohibited, the limited prohibition would be a prohibition that the goods might come in and be disposed of under certain conditions—for instance, that they must not be sold below a certain price. If the Justice found that the goods were being brought in to be sold at a very low price with intent to injure an industry, he might say, "These goods will not be entirely prohibited. They will be allowed to come in but must not be sold under a certain price"—Senator Playford, perhaps, may know whether that is the intention of the clause—or he might say, "The goods shall not be sold in a certain place," or that they should be sold under some other condition. I do not know whether any honorable senator has a clearer idea than I have of what is meant by "conditions, restrictions, or limitations" on the prohibition; but if there is, perhaps he may be able to help me in my ignorance of

the meaning. The point I take is that any possible meaning which might be given to the phrase would involve an inquiry into a number of trade details, which would be quite out of place in a Court of Justice. I cannot imagine a Justice of the High Court being called upon to lay down the exact conditions, or restrictions, or limitations on a prohibition against goods, which he held to have been imported with a criminal intent. If power is to be given in the measure to any one to allow the goods to be brought in and made some use of, the person to determine the conditions under which they should be sold should be not the Justice but the Minister, who, with the assistance of his officers, would know the destination of the goods, and the circumstances under which the importer had intended to sell them. If the evidence showed an intention to sell the goods at very much below cost price so as to injure existing industries, the Minister might, after making inquiries, say that the goods should not be sold under a certain price, or should not be sold in a certain place, or impose some restriction of that kind.

Sitting suspended from 12.5 to 12.30 a.m.

Senator DRAKE.—I should like to hear an expression of opinion from the Minister with regard to the amendment. I trust that he will not suppose that I desire to delay the passage of the Bill, or to take up time unnecessarily. The amendment is of an important character, and I trust that every consideration will be given to it. The question as to whether the defendant is guilty of an offence under the Act is a proper one for judicial determination, but the decision as to the disposal of the goods should be left to the Minister. It might be considered desirable to send back the goods to the place from which they were exported, or it might be considered that no harm would be done to any Australian industry if they were disposed of within the Commonwealth under certain conditions. The determination of this question would involve the consideration of a number of details in connexion with business, which could best be dealt with by the Minister under the advice of his expert officers. Moreover, if the Justice were to be called upon to decide what should be done with the goods, the investigation in the Court would be very much prolonged, and the expenses involved would be greatly increased.

Senator MILLEN (New South Wales) [12.35].—I must indorse the protest of Senator Drake against leaving to the decision of a Justice questions which, after all, are matters of public policy. Under our system of government, we are supposed to separate judicial from legislative and administrative functions, but under the clause it is proposed to call upon a Justice to determine matters which should be left to the judgment and decision of either the Legislature or the Executive. Although we have been very careful to enact that certain things shall not be done, we do not impose upon the Justice any obligation to inflict a penalty in the event of his finding that an offence has been committed. It seems to me to be farcical to declare that certain things shall not be done, and to then turn round and say that the Justice need not inflict penalties for offences against the law unless he feels so inclined. It is the duty of Parliament to distinctly lay down the law, and to fix the penalties, and certainly the obligation is imposed upon us to retain within our own special keeping the determination of all matters of public policy.

Senator MULCAHY (Tasmania) [12.39].—This provision seems to me to be very vague and uncertain. The clause, so far as it relates to the disposal of the goods, is not clear as to what conditions are to be laid down, or by whom they are to be imposed. Without entering into the question raised by Senator Drake as to whether the Minister or the Justice would be the best authority, it seems to me that we are conferring a power without defining what the power really is, and I think the Minister ought to explain what is intended.

Senator KEATING (Tasmania—Honorary Minister) [12.41].—It is provided that the Minister, by order in writing, may refer to a Justice the investigation and determination of certain questions. It will be left to the Justice, therefore, to determine whether or not the goods are being imported with the intent alleged. At the same time, if the Justice finds that the goods are being imported with that intent, the clause leaves to him the further determination whether the goods shall be prohibited either absolutely or subject to any specified conditions, restrictions, or limitations. The term "determination" is frequently used in reference to judicial investigations; and the determinations that would have to be made by the Justice under the clause might be that the goods were being imported with

the intent alleged. If he so determined, he would be obliged under this clause to proceed to further determine, as I say, whether the goods should be prohibited either absolutely or subject to specified conditions.

Senator DRAKE.—What sort of conditions would those be, in the opinion of the Minister?

Senator KEATING.—I am not in a position to detail them. The honorable senator has said that this is a matter which should be left to the Minister; but, as to that, of course, there may reasonably be differences of opinion. The jurisdiction of the Justice will not be invoked unless in a case that is abnormal or extraordinary—I do not mean abnormal or extraordinary in correlation to cases under the Bill, but in relation to ordinary trading transactions. That being so, and the Justice being left to determine whether the importation is with the intent alleged, it would be highly inadvisable to leave to him the determination, so to speak, of one-half of the transaction, and then allow the Minister to do the rest. As to Senator Drake's argument that the Minister would have the benefit or advantage of the experience of his departmental officers, to guide him in imposing conditions and restrictions, I would point out that the Justice would also have that advantage. The moment the Justice proceeded to investigate and determine the issue, he would naturally have presented to him the case for and against the particular individual whose conduct was questioned. Would it not be very much better, and would it not relieve the Minister of any possible imputation of acting in a way which might be influenced by personal considerations, if he were to present, or cause to be presented, to the Justice, not only all the material evidence relative to the intent of the person, but also all the material evidence relative to what should be the proper course followed under the circumstances.

Senator DRAKE.—Would that not put the Justice in an equally undesirable position?

Senator KEATING.—I do not think it would put the Justice in a position different from that in which Justices are frequently placed when determining as between parties in their equity jurisdiction.

Senator MILLEN.—If it be proved that the goods are being introduced with the intent to injure an Australian industry, why should the Justice have an option as to

promoted.
Senator KEATING.—There may be peculiar circumstances. The goods may be of various classes.

Senator PEARCE.—The goods might be allowed in under certain conditions.

Senator KEATING.—The possibilities of illegitimate trade—and I use this word in the same sense that I did previously—are so many, and so varied, that it is almost impossible to lay down hard and fast rules to govern every case. I can quite understand that there may be in connexion with one particular instance of dumping, some peculiar circumstances or features which would call for a totally different order from that which might be made in another case—that is to say, a restricted or limited order, rather than a general one.

Senator MILLEN (New South Wales) [12.45].—Apparently, I failed to make clear to the Minister the question which I asked by way of interjection. I am not now dealing with the question whether the Judge should have an option as to whether the prohibition should be absolute or conditional, but pointing out that, although the intent may be proved, it is left optional with the Judge to say that there shall be neither conditional nor absolute prohibition. That is not what is intended. I know it is assumed, probably with good ground, that if a Judge finds that dumping has been committed or attempted, there ought to be no option in the matter.

Senator PEARCE.—The Judge might say that, having regard to producers and consumers, it was advisable to have the dumping.

Senator MILLEN.—Then it would not contravene the Bill. The Judge, under the circumstances I indicate, would already have taken into consideration all the interests mentioned by Senator Pearce, and, with all the facts before him, found the defendant guilty; yet it is left optional whether he shall inflict the penalty which the clause provides. That does not appear to me to be a business-like provision. We have passed many laws under which we leave much to the Minister; and now I think we are giving an unduly large latitude to the Judge. I do not for one moment suggest the possibility, at any rate in our time, of any undesirable influences swaying the decisions of our Judges; but if

this kind, we shall open the door to those special circumstances to which some reference has been made this evening. To my mind, this is a most serious difficulty in the administrative portion of the Bill, quite apart from its principles, because it means that, although a man may be found guilty, the Judge can still say he may go free.

Senator DRAKE (Queensland) [12.49].—I quite agree with the Minister that the task imposed is one which may be of a very invidious character. That being so, the question is whether it is not desirable that the task should be carried out by a Justice of the High Court rather than by the Minister.

Senator MULCAHY.—By a Justice, certainly.

Senator DRAKE.—I question that. We are very careful indeed to keep our Courts of law as free as possible from contact with party, with trading operations, or with any matters with which questions of policy are likely to become involved; and, therefore, it would be much better if the task were left to the Minister. The importation of certain goods into a particular State might be objected to on the ground that it would injure an industry; but we know that the conditions in the different States are so varied, that the importation of the same goods into another State might work no injury in that State. The Justice of the High Court, upon inquiry, might decide that the importation of certain articles to Victoria would injuriously affect a particular industry, but that their importation to Western Australia might very well be permitted. Such a state of things is possible under this clause, though it would involve an additional inquiry by the Justice as to the condition of the market in the different States of the Commonwealth.

Senator MCGREGOR.—Why does the honorable senator worry?

Senator DRAKE.—It is our duty to frame laws to which effect can be given without derogating from the views which are generally held regarding the way in which justice should be administered. We should not enact legislation which is open to the objections to which I have referred.

Senator MULCAHY (Tasmania) [12.53].—I favour the determination of the question of whether goods are being imported with intent to destroy or injure any Australian industry by a judicial authority,

rather than by a political one. I would point out that the penalty provided for such an offence is the forfeiture of the goods so imported. That forfeiture may be absolute, or it may be modified in some way. But the provision in this connexion is an extremely vague one. The next clause provides that, from the date of the *Gazette* notice until the publication of the determination of the Justice, the goods which form the subject of the judicial investigation shall not be imported unless the importer gives to the Minister a bond for such an amount—not exceeding the true value of the goods for Customs purposes—as the Minister considers just and reasonable, by way of precaution in the circumstances, and conditioned to be void should the Justice determine the question in favour of the importer. That means that the importer could obtain possession of the goods by finding a bond for their full value. In other words, he might continue to destroy an Australian industry, and the utmost penalty which could be inflicted upon him would be the forfeiture of an amount which was equal to the value of the goods. In the meantime the goods themselves might have passed into consumption. What I wish to ascertain is the “conditions or restrictions or limitations” which the Justice of the High Court may impose.

Senator DRAKE.—We can only guess at the meaning of those words.

Senator MILLEN (New South Wales) [12.56].—Senator Mulcahy has raised two points, which show how extremely difficult it is to satisfactorily dispose of this Bill in a limited space of time. He prefers that the authority to determine the question of whether goods have been imported with intent to destroy an Australian industry shall be a judicial, rather than a political, one.

Senator MULCAHY.—I do not like a political authority.

Senator MILLEN.—The authors of this Bill entertain quite a contrary opinion. Whilst under this clause they provide a judicial authority to decide questions of the character to which I have referred, under clause 23 they create the very Court of Appeal which Senator Mulcahy so much dislikes. In other words, an attempt is made to legislate in favour of an appeal from the decision of a Justice of the High Court to the Minister of the day. I would further point out that, whilst under this clause we empower a Justice of the High

Court to direct that the importation of the goods shall be prohibited, the next clause might render his order absolutely void, because, in the interim, the goods might have been imported and sold. It is quite true that a bond to the value of the goods would be in the hands of the Minister, but that would in no way shield the industry which was being attacked.

Senator STEWART.—What is the honorable senator grumbling about?

Senator MILLEN.—I am grumbling about being detained till this hour of the morning to discuss legislation of such a farcical character.

Question—That the words proposed to be left out be left out—put. The Committee divided.

Ayes	...	...	...	5
Noes	...	...	...	11
Majority				6

AYES.

Millen, E. D.	Smith, M. S. C.
Mulcahy, E.	Teller:
Pulsford, E.	Drake, J. G.

NOES.

Findley, E.	Pearce, G. F.
Givens, T.	Playford, T.
Higgs, W. G.	Stewart, J. C.
Keating, J. H.	Turley, H.
McGregor, G.	Teller:
O'Keefe, D. J.	Guthrie, R. S.

PAIRS.

Dobson, H.	Best, R. W.
Gould, A. J.	Dawson, A.
Neild, J. C.	Fraser, S.
Gray, J. P.	Henderson, G.

Question so resolved in the negative.

Amendment negatived.

Senator PEARCE (Western Australia) [1.5].—After the time that has been wasted in dealing with an amendment of a somewhat frivolous character, I regret to have to delay the Committee by proposing a further amendment. The point has been raised as to whether the goods which may be prohibited under this clause are all goods of a certain class, or the goods of a particular importer who is guilty of dumping them. Some clauses seem to indicate that the goods aimed at are those of the importer who is guilty of dumping, but there are other clauses that appear to relate to all the goods of that class in Australia. Manifestly the intention is to deal with the goods that are being

dumped by the importer. I therefore move—

That after the word "goods," where second occurring in paragraph a, sub-clause 5, the words "by the importer or the importers specified in the certificate" be inserted.

The certificate referred to is that of the Comptroller-General.

Senator KEATING.—Does the honorable member mean to restrict this provision to the particular shipment in question?

Senator PEARCE.—No; to restrict it to the goods mentioned in the certificate.

Senator KEATING.—Then the honorable senator should use the words "the imported goods," which appear in paragraph a of sub-clause 2.

Senator PEARCE.—I do not think that is necessary.

Senator MULCAHY.—Might it not be inferred that under the amendment any one else would be allowed to import the goods?

Senator PEARCE.—Any one may import them, so long as he does not dump them. If an importer is guilty of dumping he may be made a party to any proceedings instituted. It is obvious that we do not desire to prohibit the goods of those engaged in legitimate trade. This is not a Bill to interfere with legitimate trade, and I think, therefore, that the amendment is necessary to make it clear that the intention is that goods which are the subject of dumping shall be prohibited. It would be open to the Comptroller-General to include in his certificate the names of all importers who were dumping goods.

Senator MILLEN (New South Wales) [1.10].—I was inclined to resent the statement made by Senator Pearce that some time had been spent in dealing with a frivolous amendment, but having heard his proposal, I am satisfied that he was speaking prophetically. I recognised when I heard the honorable senator's amendment that there are such things as frivolous amendments. If it is adopted, it will make any confusion that may exist worse confounded. Clause 19 provides that the goods with which it is dealing are to be known as "imported goods." These words are used in sub-clause 5. We can deal only with goods in regard to which the authorities have control.

Senator MULCAHY.—They have control, not over the value of the goods, but over an amount representing their value.

Senator MILLEN.—It is when the goods are passing through the port of

entry, and before they have obtained clearance, that the authorities can impound them, and it is in regard to such goods that proceedings should be taken.

Senator DRAKE (Queensland) [1.13].—The amendment would create an ambiguity. It is clear that the goods referred to are those specified in the certificate. If the amendment is adopted, the provision may be read to refer to other goods imported by the same importer.

Senator PEARCE (Western Australia) [1.15].—Clause 16 declares that "imported goods" and "Australian goods" include goods of those classes respectively, and all parts and ingredients thereof. Therefore, "imported goods" is a term meaning classes of goods, and the Justice reading this provision in regard to goods which are the subject of an action may interpret it to mean classes of goods. He may, under sub-clause 4 of clause 21, if he thinks fit, "allow any person interested in importing imported goods to be represented at the investigation." Why should other importers interested in importing a class of goods be represented at an investigation, if it is not contemplated that the importation of the whole class may be prohibited?

Senator MILLEN.—Another importer may intend to import goods of the same class.

Senator PEARCE.—Yes, and will therefore be interested in the investigation, and allowed to be represented. In view of the provisions to which I have referred, it seems to me necessary to require that the prohibition shall specify the goods imported.

Senator MILLEN (New South Wales) [1.17].—Other importers might be interested, not in the fate of the particular shipment in regard to which the investigation is held, but in keeping open the channels for trade in a particular class of goods. Although the award of the Justice in regard to a certain lot of goods might be of interest to the importer of the second lot, it would not affect that second lot, which, if necessary, would have to be the subject of a second prosecution.

Senator DRAKE.—The person interested is not made a party to the proceedings, although he is allowed to be represented at the investigation.

Senator PLAYFORD (South Australia Minister of Defence) [1.18].—I think that Senator Pearce would accomplish his end by inserting the word

"imported" before the word "goods." The Comptroller-General, in his certificate to the Minister, must specify the imported goods, and the Justice to whom the Minister remits the case has only to investigate and determine whether the goods so specified were imported in contravention of the law. He is not to deal with any other goods. The clause seems to me to be clear. It appears to me that the clause is clear, but if it is considered necessary to make it absolutely clear, it might, perhaps, be wise to use exactly the same words as have been previously used, and make the clause read "whether the importation of the imported goods should be prohibited." That is the only way in which the clause should be altered, if at all. I do not think that Senator Pearce's present amendment would make it any clearer.

Senator PEARCE (Western Australia) [1.21].—I trust honorable senators will give this clause a little more attention, and will not assume that because I have submitted an amendment I have done so merely for the purpose of taking up time. I have moved it for the purpose of improving the Bill.

Senator MILLEN.—The honorable senator is ready enough to suspect others.

Senator PEARCE.—I think I have good reason.

Senator MILLEN.—Not so much as we have now.

Senator PEARCE.—I direct the attention of honorable senators to the way in which the clause is framed—

The Comptroller-General whenever he has received a complaint, in writing, and has reason to believe that any person (hereinafter called the importer) either singly or in combination with any other person within or beyond the Commonwealth is importing into Australia goods (hereinafter called imported goods) with intent to destroy or injure any Australian industry by their sale or disposal within the Commonwealth in unfair competition with any Australian goods, may certify to the Minister accordingly.

The goods are "hereinafter called imported goods," to distinguish them from other goods of the same description, which are not the subject of the Comptroller-General's action. In sub-clause 5, in which I have moved my amendment, the question is whether the imported goods are being imported with the intent alleged. The term "imported goods" is used there. But when the sub-clause deals with the matter of prohibition, the term "imported goods" is dropped.

Senator MULCAHY.—Surely to say "the importation of the imported goods" is tautology.

Senator PEARCE.—No; the "imported goods" are the goods which are specified in the Comptroller-General's certificate. Suppose the goods referred to are boots. Suppose that some importer is dumping ladies' boots with intent to destroy an Australian industry, and that a complaint is made to the Comptroller-General. That officer, in his certificate, specifies that the action is taken on the subject of the importation of certain ladies' boots. The Minister may refer the matter to a Justice to determine whether the particular ladies' boots are being imported with the intent alleged, and if so, whether the importation of the said imported boots ought to be prohibited. I will withdraw my present amendment, with the view of moving another one to insert the word "imported" before "goods."

Senator FINDLEY.—Does the Bill deal with any but imported goods?

Senator PEARCE.—But cannot the honorable senator see that the goods here referred to are not goods generally, but the imported goods within the specific meaning of this clause? It is a technical phrase applied to goods, not because they are imported, but because they are the subject of the action taken by the Comptroller-General. If the phrase "imported goods" is properly used in one part of the clause it should be used throughout.

Amendment, by leave, withdrawn.

Amendment (by Senator PEARCE) proposed—

That the word "imported" be inserted before the word "goods," where second occurring, in paragraph *a* of sub-clause 5.

Senator DRAKE.—I desire to ask you, Mr. Chairman, whether it is competent, without a recommittal, for an honorable senator to move to insert the word "imported" before "goods"? We have had a division, and it was decided that the words which it is now proposed to amend should stand part of the Bill. I submit that we cannot, in this Committee, go back upon what we have done.

The CHAIRMAN.—I must uphold Senator Drake's point of order. It would necessitate the reconsideration or recommittal of the clause to deal with Senator Pearce's amendment.

Senator MILLEN (New South Wales) [1.29].—Having disposed of the amend-

ment by ruling it out of order, you, Mr. Chairman, have relieved me from the necessity of appealing to the Committee not to advertise to the world that our popular education system has been an absolute failure. I really think that Senator Pearce is under a little misapprehension.

Senator FINDLEY.—I rise to order. Has it not been ruled that Senator Pearce's amendment is out of order?

Senator MILLEN.—I am sure the Committee will bear with me when I say that I am not discussing the amendment. I thought that Senator Pearce was under a misapprehension as to what the clause meant. The impetuosity of my energetic friend, Senator Findley, should be restrained.

Senator PEARCE.—If I were under a misapprehension I should not go to the honorable senator for an explanation.

Senator MILLEN.—I wish to take up the illustration which Senator Pearce gave in order to show how defective the clause is. If it is a good illustration, it furnishes a reason for voting against the clause. But if it is wanting in substance, as I think it is, the clause can be safely passed, quite irrespective of the amendment which has been ruled out of order. The honorable senator took the case of a shipment of ladies' boots, and assumed that all that would be entered in the certificate of the Comptroller-General would be "ladies' boots." But, clearly, that is not so.

Senator PEARCE.—If only boots of that class were being dumped, that is all that would be stated in the certificate.

Senator MILLEN.—What would appear in the certificate would be not "ladies' boots," but "twenty cases of ladies' boots." That is a point which the honorable senator has overlooked.

Senator PEARCE.—That is the same thing stated in another way.

Senator MILLEN.—When we refer to sub-clause 5, we find no ambiguity about what would be involved. It would apply to the shipment of ladies' boots which were then metaphorically before the Court, and not to all shipments of ladies' boots. All that the Court would have to deal with would be a complaint against, say, William Brown in respect of a shipment of twenty cases of ladies' boots.

Senator PEARCE.—But the prohibition might affect other shipments.

Senator MILLEN.—The only matter before the Court would be that shipment.

Senator PEARCE.—The prohibition might say that no further shipments would be allowed.

Senator MILLEN.—No order which the Court could give could affect any other goods.

Senator PEARCE.—Could not the prohibition say that no further shipments of those boots would be allowed?

Senator MILLEN.—Certainly not.

Senator PEARCE.—Then what is the value of the dumping provision? Would there be a separate prosecution in each case of dumping?

Senator MILLEN.—Exactly.

Senator PEARCE.—I do not think so.

Senator MILLEN.—Does the honorable senator mean to say that we are to have a prosecution against a man unknown?

Senator PEARCE.—One prosecution would settle all cases of that class.

Senator MILLEN.—The honorable senator is quite right; because if William Brown were penalized for attempting importation under those circumstances, other importers would cease their operations immediately. When a decision on a point is given in a Court, what happens? Other persons do not test the point.

Senator DRAKE.—But if the goods were on the way the authorities would have to make a fresh complaint against each importer.

Senator MILLEN.—Exactly. Each shipment which was complained of would have to be the subject of a specific inquiry; each person who was complained of would have to be brought before the Court, and would have an opportunity to state his case, and judgment would be given regarding that person and that shipment. For that reason, it is impossible to alter the clause with advantage.

Clause agreed to.

Clause 20 agreed to.

Clause 21—

1. The Justice shall proceed to expeditiously and carefully investigate and determine the matter, and for the purpose of the proceeding shall have power to inquire as to any goods, things, and matter whatsoever which he considers pertinent, necessary, or material.

8. In the case of the following agricultural implements:—Ploughs of all kinds over 1½ cwt., tine harrows, disc harrows, grain drills, combined grain seed and manure drills, land rollers, cultivators, chaff cutters, seed cleaners, stripper harvesters, and any other implement usually used in agriculture, the Justice shall inquire into and determine the question whether the

goods are being imported with the effect of benefiting the primary producers without unfairly injuring any other section of the community of the Commonwealth.

Senator DRAKE (Queensland) [1.35].—I move—

That the words "expeditiously and carefully," lines 1 and 2, be left out.

The use of these words would imply a reflection upon the Court. It is not a decent thing, I think, to ask a Court of Law to do its work expeditiously and carefully. A Court may always be trusted to do its work expeditiously and carefully, without a direction in a Statute.

Senator MILLEN (New South Wales) [1.36].—The whole question, as Senator Drake has pointed out, and as was pointed out by Senator Symon—

Senator TRENWITH.—And as was replied to very fully by the Minister.

Senator MILLEN.—It may have been replied to very fully.

Senator TRENWITH.—He pointed out that exactly the same words are used in the Conciliation and Arbitration Act, and that there is no objection to the use of them.

Senator MILLEN.—That does not alter the argument at all. If the words were used in that case it was just as objectionable as it is in this case. We are asked to direct the High Court, in which we have every confidence, to proceed "expeditiously and carefully," as if this was the only case in which it was to so act, and as if ordinarily it might proceed without expedition and without care. I am quite certain that Senator Trenwith will recognise that whether the words were in the provision or not, the Court would proceed "expeditiously and carefully."

Senator TRENWITH.—I believe that any Court we created would do so.

Senator MILLEN.—We may rely upon the Justices to attend to the discharge of their public duties as carefully as they are capable of doing. In that case, what is the use of retaining the words in this provision? I shall not divide the Committee, but it appears to me that the words are unnecessary, and, if anything, a reflection upon the Court. Seeing that they could be of no use, the Minister might reasonably have consented to their omission.

Amendment negatived.

Senator PEARCE (Western Australia) [1.38].—I move—

That sub-clause 8 be left out.

I have moved the omission of this provision, dealing with agricultural implements, because, apparently, it would make an invidious distinction. Under clause 17, in dealing with unfair competition, the Justice is required to have due regard to the interests of producers, workers, and consumers. But in another place there are certain honorable gentlemen who pose as being particularly the farmers' representatives, and who, in every Bill, try to put in an exemption in his favour. This sub-clause is assumed to be an exemption in favour of the farmer. As a matter of fact, it does not carry things any further than does clause 17, but it does procure for certain honorable members in another place kudos for looking after the special interests of the farmers. The Committee should not lend itself to that kind of thing. One has only to look into the provision to see how meaningless it is. Under clause 17, the farmer is just as fully protected as any other section of the community, and there is no reason why he should get a special advertisement in this sub-clause.

Senator TRENWITH (Victoria) [1.40].

—While I agree with Senator Pearce as to the futility of the sub-clause, I would point out to him that it would be unwise to strike it out. It would really accomplish nothing to the detriment of other sections of the community, and if it pleases some persons I can see no reason for its omission. We are doing our best to pass this measure through without unnecessary delay. But if we strike out the clause, we shall open the door to a further long discussion in another place. If there were anything baneful in the clause it should be struck out; but it is like "a chip in porridge"—absolutely ineffective. I agree with Senator Pearce that it was inserted to enable certain persons to pose before the farmer. It has been suggested in a weekly journal that if some persons had been on hand when the Ten Commandments were given out they would have suggested that they should not apply to those engaged in agricultural, viticultural, or pastoral pursuits. There is no doubt that that is so. Whatever immunity is sought for farming implements seems to me to be dependent entirely on the question of whether the goods are being imported under fair conditions.

Amendment negatived.

Clause agreed to.

Clause 22 agreed to.

Clause 23—

The Governor-General may at any time, by proclamation, simultaneously with or subsequently to any prohibition under this Part of this Act, rescind in whole or in part, the prohibition or any condition or restriction or limitation on importation imposed hereby.

Senator PULSFORD (New South Wales) [1.44].—Sub-clause 9 of clause 21 provides—

The determination of the Justice shall be final and conclusive and without appeal, and shall not be questioned in any way.

Nothing could be plainer than that. Yet it is now proposed to provide that the Governor-General may rescind, in whole or in part, any prohibition, or any condition or restriction or limitation on importation, imposed thereby. The question is whether we should give the Minister power to undo what has been done by the Justice—whether we are to close the front door and leave the back door open.

Senator PEARCE (Western Australia) [1.46].—The majority of honorable senators differed from the view expressed by me in connexion with a previous clause, and expressed the opinion that a prohibition would not operate with regard to the whole of a shipment made by an importer, so long as certain conditions were complied with. If my view be wrong, this clause is unnecessary. If a prohibition were to apply to, say, only eight cases of boots out of a large shipment, there would be no necessity to review the decision of the Court. In my opinion, it is because the prohibition will continue to operate in regard to an importer that this provision is necessary. If my reading is wrong, however, there is no need for the clause, because, if the Justice says that the goods shall be prohibited, I do not see why the Government should be constituted a court of review. If Senator Pulsford pushes the matter to a division, I shall support him.

Senator PULSFORD. — Surely Ministers will not sit like statues without making some attempt at an explanation.

Senator MILLEN (New South Wales) [1.48].—I think that the purpose of the clause is abundantly clear, although I quite agree with Senator Pulsford that it ought not to be inserted. It is provided in clause 21 that the determination of the Justice shall be final and conclusive, and without appeal, and yet it is proposed to permit of an appeal, not to another Court, whose proceedings would be open to the broad

light of day, but to the Government. Thus the way would be opened for the exercise of that political influence which Senator Mulcahy and others, including myself, justly dread. What would happen is, I think, abundantly clear. In this particular matter, the Governor-General would have power to mitigate or lower the penalty imposed by the Justice, and this would probably lead to cases of gross interference. The questions arising would be determined, not altogether on the merits of the case, but according to the amount of influence that could be brought to bear upon an individual Minister, or upon the success with which an importer could present his case to the officers of the Department. If there is to be an appeal from the decisions of the Justice, it should be made to a Court, and not to the Minister. It is reversing altogether the ordinary procedure to have a review in secret of proceedings which have taken place in public. While I shall vote against the clause, I feel that if it be omitted there may be the possibility of injustice in that a defendant, after a case had been determined, might be able to show that some facts had come to his knowledge which previously he had not been able to place before the Justice, and that, therefore, could apply for the clemency which clause 23 permits the Governor-General to exercise. But the danger arises from the fact that we have already passed clause 21, which says that there shall be no appeal. I shall, however, vote to strike out clause 23, in the belief that if it be left out, the Ministry will never allow the Bill to become law with clause 21 in it, but will seek to so amend the latter as to permit of an appeal from a single Judge to the Full Court.

Senator DRAKE (Queensland) [1.51].—In this clause there appears to be an obvious omission. Clause 22 provides that the Justice may order prohibition, or prohibition under certain conditions, and paragraph b of sub-clause 2 of that clause enables the Judge to reduce the amount recoverable under any bond. Clause 23 gives the Governor-General power to rescind wholly or in part the prohibition or any condition or restriction on importation imposed thereby, but no reference is made to paragraph b of sub-clause 2 of clause 22. I presume that it was not intended that the Governor-General in Council should have power to rescind or vary a prohibition, and not have power to vary an order which

is equivalent to a fine. It may be, of course, that paragraph *b* in clause 22 was introduced after the Bill was drafted.

Senator KEATING (Tasmania—Honorary Minister) [1.55].—When we were discussing clause 19 Senator Millen referred to the fact that the clause empowered the Justice, after having determined the fact of intent, also to determine whether a prohibition should issue, and, if so, whether it should be absolute or subject to terms and conditions. The honorable senator also pointed out that we were giving a judicial tribunal functions usually entrusted to the political head. In reply, I expressed the opinion that it would be inadvisable, if we resorted to a judicial tribunal at all, to divide the duty between that tribunal and the political head. I further pointed out that before the judicial tribunal would come to the second determination as to the prohibition, it would have the same advantage as the Minister had, of the evidence and experience of the chiefs of the Department. As a matter of convenience, the judicial tribunal will determine, first, whether there has been a breach of the Bill, and, secondly, whether proceedings shall be taken to restrain the continuance or prevent a recurrence of such breach. I agree that the latter part of the determination is a function usually entrusted to a political rather than to a judicial tribunal, and it is only so far as that is concerned that we propose to empower the Governor-General in Council to rescind in whole, or in part, the prohibition or any condition or restriction. It is not proposed to empower the Governor-General in Council to in any way modify or vary the decision as to whether a defendant is or is not guilty of intent. As I have said, the other part of the judicial determination is usually intrusted to the political head; but if it had been proposed to divide the duty at that stage, there would have been much more serious hostile criticism than was directed when that clause was under consideration. I think that clause 23 should, to some extent, meet the criticism that was then offered, because action will not be taken by the Governor-General in Council, except under very grave circumstances.

Senator DRAKE.—How about the amount recoverable under the bond?

Senator KEATING.—That is a judicial rather than a political question.

Senator DRAKE (Queensland) [2.0].—I would point out to the Committee that an ordinary fine can always be remitted by the Executive. Under clause 22, the Justice may prohibit the introduction of goods either absolutely or conditionally, or he may reduce the amount recoverable under the bond. Then, under this clause, the Executive have power to vary the prohibition, but they have no power to alter the fine which has been imposed. I do not see that Senator Keating's remarks had any bearing upon that point. If the Executive have power to rescind or vary the prohibition, why should they not have power to reduce the amount of the money penalty? It seems to me as if there has been an unintentional omission in this connexion.

Senator TRENWITH (Victoria) [2.2].—I wish to point out to Senator Drake that the assessment of the amount which may be claimed under the bond is a matter which must be decided at once, and decided upon evidence.

Senator DRAKE.—So is the prohibition.

Senator TRENWITH.—The real question at issue is how much is recoverable under the bond. Let us suppose for the sake of argument that a person has imported £10,000 worth of goods, and that a bond for that amount has been lodged with the Minister. Let us further suppose that during the progress of the trial the importer has distributed £5,000 worth of those goods. Should it be held that the goods have been imported with intent to destroy or injure an Australian industry, the distribution of those goods would constitute an offence. Under the circumstances, the Justice might say that it was a proper thing for the Government to recover the sum of £5,000. That is the penalty which would be provided for any such breach of the law. A prohibition might then be imposed upon the importation of similar goods. But it is quite conceivable that circumstances might arise under which it would no longer be an injury for the goods to be imported, and, therefore, provision is made that the Governor-General in Council may modify the prohibition. The contingency which I have outlined appears to me to be a reasonable one, and would explain why, in the first instance, the Court is vested with power to deal with these questions, and why the Governor-General in Council is subsequently empowered to modify its decisions. It is

obvious that a decision might be given by the Justice which ought not to be modified either to-day or to-morrow, or possibly next year, but which might, with perfect propriety, be modified the year after.

Senator DRAKE.—Is that the correct interpretation?

Senator TRENWITH.—It is one interpretation which presents itself to my mind, and it is a sufficient reason for the insertion of this provision in the clause.

Senator DRAKE (Queensland) [2.6].—To my mind the explanation advanced by Senator Trenwith is not altogether a satisfactory one. I asked the Minister the reason for what appears to be an omission, but instead of replying to my question, he referred me to another clause, and pointed out the difference between a judicial determination of the question of whether an offence had been committed and the issue of an order prohibiting the importation of goods.

Senator KEATING.—I said that the question of the amount recoverable under the bond was more of a judicial than a political one.

Senator DRAKE.—Senator Trenwith has given a possible explanation of this matter, but I do not know that it is the proper explanation. I propose, therefore, to test the feeling of the Committee, and I move—

That the following words be added:—"or may reduce the amount recoverable by order of the Justice under any bond."

Amendment negatived.

Clause agreed to.

Clause 24—

In all cases of prohibition the determination of the Justice, and any proclamation affecting the same, shall be laid before both Houses of the Parliament within seven days after the publication in the *Gazette*, or, if the Parliament is not then sitting, after the next meeting of Parliament.

Senator MILLEN (New South Wales) [2.8].—Of course, the intention of the draftsman was to make the clause provide that the proclamation should be laid before both Houses of Parliament within seven days after the publication of the same in the *Gazette*, if Parliament were in session, and if it were not, within seven days after its next meeting. In its present form, however, the clause provides that the proclamation shall be laid before both Houses of Parliament within seven days after its publication in the *Gazette*, and if Parliament be not sitting, at any time after it does

assemble. I would point out that in the Electoral Act, the Property for Public Purposes Acquisition Act, the Excise Act, and the Customs Act, a different form of expression is employed.

Senator TRENWITH.—It is obviously a draftsman's error.

Senator MILLEN.—I move—

That after the word "sitting," line 6, the following words be inserted:—"within seven days."

Amendment agreed to.

Clause, as amended, agreed to.

Clause 25 agreed to.

Clause 26—

1. Any person who wilfully—

(a) makes to the Comptroller-General or to any officer of Customs any false statement in relation to any action or proceedings taken or proposed to be taken under this Part of this Act; or

(b) misleads the Comptroller-General in any particular likely to affect the discharge of his duty under this Act;

shall be guilty of an offence.

Penalty: One hundred pounds.

Senator PULSFORD (New South Wales) [2.11].—The penalty provided in this clause seems to be likely to prove insufficient. Honorable senators can readily imagine that misrepresentation of a very grave character, which would inflict severe loss upon entirely innocent people, might take place, and I think that the Court should have power to order imprisonment.

Senator PLAYFORD.—What does the honorable senator suggest?

Senator PULSFORD.—A penalty of £500, or one year's imprisonment, or both.

Senator PLAYFORD.—I would accept an amendment providing that the penalty be £100 or twelve months' imprisonment.

Senator PULSFORD.—Very well. I move—

That the following words be added:—"or twelve months' imprisonment."

Amendment agreed to.

Clause, as amended, agreed to.

Senator PULSFORD (New South Wales) [2.12].—I move—

That the following new clause be added—

"26A. The provisions of this Act shall not apply to goods imported by the Government of any State."

This amendment should commend itself to the judgment of honorable senators. It is necessary to avoid a possible means of trouble, and I trust that the Committee will at once agree to it.

Senator PLAYFORD (South Australia—Minister of Defence) [2.14].—I ask the honorable senator not to press his amendment. We should have to limit it in the first place to goods imported for the use of a State. The honorable senator would not like to permit a State to import goods for private individuals, or for the purposes of sale. We contend that the Bill does not apply to States; there is no likelihood of any of the States ever coming under it.

Senator PULSFORD.—Then why not make our intention clear?

Senator KEATING.—If we inserted this provision in one Bill, it might be implied that certain other measures did apply to the States.

Senator PULSFORD (New South Wales) [2.15].—By leave, I propose to amend my amendment by inserting after the word "by" the words "and for the use of."

Amendment, by leave, amended accordingly.

Senator TRENWITH (Victoria) [2.16].—The whole object of this measure, declared almost in every clause, is to prevent persons from importing goods with the intention of or in a manner calculated to destroy Australian industries. If goods are not so imported, the Bill will not apply to them. To declare that it does not apply to the States seems, having regard to the proposed preference to Great Britain, to be an insult rather than a concession to the States. It would be absurd to provide in this Bill, which has been introduced only because it is alleged that some persons are laying themselves out to destroy Australian industries, that it shall not apply to any imports made by the States. The insult would not be as specific as it would have been in the case of a previous amendment, in which one country only—Great Britain—was named. It is not proposed to name the six States, and the Government of each State might say, "This was never intended to apply to us; it may apply to the other five States." The reflection is not so clearly expressed in this case, but the amendment would nevertheless be an insult to the States.

Senator MILLEN (New South Wales) [2.18].—I understood Senator Trenwith to say that a clause of this kind was unnecessary, inasmuch as it is impossible to conceive of a State importing goods for the purpose of injuring an Australian industry. I quite agree with him, but those engaged

in an Australian industry might feel that a State importation was injurious to them, and it might be possible for them to take advantage of the dumping clauses of this Bill, and to seek a prohibition against that State. I mentioned, on the motion for the second reading of the Bill, that the Government of New South Wales, in order to assist the farmers and other land occupiers in their strenuous fight against the rabbit pest, were purchasing 5,000 miles of wire netting at a price which, I understand, is likely to seriously disorganize the one netting factory we have in that State.

Senator PEARCE.—But they are not proposing to sell that wire in New South Wales at a price below the cost in the country of origin.

Senator MILLEN.—That is so; but if the statements of those interested in Lysaght's factory in Sydney are to be accepted, the Government have purchased netting, and are prepared to sell it in New South Wales at a price which must seriously disorganize that factory. I do not think that rather than insert a clause of this kind, any honorable senator would run the risk of trouble in that direction. It is clearly a case in which the State has argued that the interests of the many must override those of the few. I do not think such a case was in the minds of honorable senators, but there is just a possibility that this and similar ones might be brought within the four corners of the measure. Whilst I am not prepared to press my contention, I think that the Minister might either accept the amendment or suggest one that in his opinion would more fully meet the object in view.

Question—That the proposed new clause, as amended, be added—put. The Committee divided.

Ayes	6
Noes	11
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Majority	5

AYES.

Drake, J. G.	Smith, M. S. C.
Millen, E. D.	
Mulcahy, E.	Teller:
Pearce, G. F.	Pulsford, E.

NOES.

Givens, T.	Playford, T.
Guthrie, R. S.	Stewart, J. C.
Higgs, W. G.	Trenwith, W. A.
Keating, J. H.	Turley, H.
McGregor, G.	Teller:
O'Keefe, D. J.	Findley, E.

Question so resolved in the negative.

Proposed new clause negatived.

Title agreed to.

Bill reported with amendments.

Motion (by Senator PLAYFORD) agreed to—

That the Bill, as reported, be considered this day.

SPECIAL ADJOURNMENT.

Motion (by Senator PLAYFORD) agreed to—

That the Senate at its rising adjourn until to-day at 11 a.m.

ADJOURNMENT.

ORDER OF BUSINESS: TARIFF COMMISSION'S REPORTS: AUSTRALIAN INDUSTRIES PRESERVATION BILL.

Motion (by Senator PLAYFORD) proposed—

That the Senate do now adjourn.

Senator TURLEY.—What business will be taken when we meet again at 11 o'clock?

Senator HIGGS (Queensland) [2.25].—I regret to have to bring under the notice of the Senate, at this late hour, the replies of the Government to questions asked in regard to reports of the Tariff Commission. Six members of Parliament are members of the Commission, and if they are called upon to continue to furnish progress reports, they must neglect their current political duties. I think, therefore, that the Government should take the responsibility of saying whether it will or will not deal with further reports. If it says that it cannot deal with further reports, because the length of the session will not give an opportunity to do so, the Commission will be able to suspend its labours, and give its members time to attend to their parliamentary duties. But if the Government is prepared to deal with further reports, the Commission must go on considering evidence and preparing recommendations. If the Ministry cannot deal with any more reports this session, the Commission and the public ought to know it. I do not ask the Minister of Defence to give me a reply now; but I hope that he will consult his colleagues, and let us know what is determined. When I speak of dealing with the reports, I refer to the bringing forward of proposals for submission to the two Houses of this Parliament.

Senator MILLEN (New South Wales) [2.28].—While I think that honorable senators generally must sympathize with

the members of the Tariff Commission, I should like to point out that, judging by what has appeared in the press, the Ministry is ahead of the Commission, and has already submitted proposals in regard to matters which are still under the review of the Commission, and in reference to which it, of course, has not reported. Therefore, instead of the Commission asking whether the Ministry is anxious to deal with more reports, the Ministry might well ask when the Commission is going to present more. It seems to me that the work of the Commission has, by the action of the Government, been rendered farcical. It was appointed to obtain information on which the Government might take action; but now that it is on the eve of completing its work, the Government is putting proposals before Parliament in ignorance of what its recommendations will be. The Commission has discharged a difficult task, at a considerable expenditure of time and trouble, and the Government is flouting that body in placing proposals before Parliament without waiting for its recommendations. If I were a member of the Commission, I should consider that the only course open to me was to hand in my resignation at once.

Senator DRAKE (Queensland) [2.30].—I wish to raise a point of order in regard to the motion which has been agreed to in reference to the Australian Industries Preservation Bill. Standing order 204 says—

If a Bill be reported with amendments, a future day shall be appointed for taking the report.

Is a later hour of the same day a "future day?"

The PRESIDENT.—A future parliamentary day is meant by the standing order.

Senator PLAYFORD (South Australia —Minister of Defence) [2.31].—In answer to the inquiry as to what business it is intended to take when we meet again to-day, I have to state that we shall proceed first with the Constitution Alteration (Senate Elections) Bill. Afterwards the Appropriation (Works and Buildings) Bill will be dealt with. In the afternoon I have promised to give Senator Mulcahy an opportunity to bring forward his motion relating to the Commerce Act.

Senator MILLEN.—I hope that the Government will arrange to adjourn at a more reasonable hour.

fault that we are not adjourning at a reasonable hour this morning. As to the question put to me by Senator Higgs, I will bring the matter under the notice of my colleagues. But I desire to point out that the Royal Commission appointed to inquire into the Tariff is quite independent of the Government—absolutely independent of us in every way. I do not know whether it would be right for us to interfere with the actions of the Commission. It was appointed for a specific purpose, to inquire into a certain subject, and report. It is for the members of the Commission to bring their reports before the Governor-General. As to the statement of Senator Millen that the Government is ahead of the Commission's reports, I think that he is altogether wrong. The matters brought before another place relating to the Tariff have in both instances, I believe, been the subject of reports by the Tariff Commission.

Senator MILLEN.—What about mining machinery? The proposals of the Government in that respect have not been reported upon by the Commission.

Senator PLAYFORD.—I shall not go into details, as I have not the particulars before me. I will bring the matter under the attention of my colleagues, but I think that the answer will be in the direction that I have indicated.

Question resolved in the affirmative.

Senate adjourned at 2.32 a.m. (Friday).

House of Representatives.

Thursday, 30 August, 1906.

Mr. SPEAKER took the chair at 3.30 p.m., and read prayers.

SUPPLY BILL (No. 2).

Assent reported.

HOPETOUN TO WOODFORD
TELEGRAPH LINE.

Mr. WILKINSON.—I desire to ask the Postmaster-General if the contract for the construction of the telephone line from Hopetoun to Woodford, Queensland, has been let, and, if so, who is the successful tenderer, and when is the work expected to be completed?

be able to give the honorable member the information later on.

TARIFF AGREEMENT: COMMONWEALTH AND NEW ZEALAND.

Mr. CAMERON.—I wish to know from the Prime Minister when the proposed reciprocity treaty between the Commonwealth and New Zealand will be laid upon the table.

Mr. DEAKIN.—In a few moments.

CONTINGENT VOTES, QUEENSLAND.

Mr. WILKINSON.—I desire to know whether the Minister of Home Affairs has yet received the information for which I asked yesterday with reference to the number of contingent votes polled in the constituencies of Brisbane and Moreton at the Federal elections in 1901.

Mr. GROOM.—The information was telegraphed for yesterday, and I have received a reply stating that some difficulty has been experienced in obtaining the necessary returns. Further efforts are being made in that direction.

GENERAL ELECTION.

Mr. MCCOLL asked the Prime Minister, *upon notice*—

As the Chief Electoral Officer has certified that the preparations for the General Election can be all completed so that the polling can take place on the 21st day of November next, will the Government fix that date as the date of the Elections?

Mr. DEAKIN.—The answer to the honorable member's question is as follows:—

The Chief Electoral Officer did not certify that the preparations for the general elections can be completed so that the polling can take place on the 21st November next, but estimated that this would be the case. He is not yet in a position to fix the date more definitely, and until he is it would be premature for the Government to consider the fixing of a particular day.

STATE PREFERENCES TO LOCAL TIMBERS.

Mr. WILKS (for Mr. BRUCE SMITH) asked the Prime Minister, *upon notice*—

1. Is he aware that in all the Australian States, except Tasmania, but especially in New South Wales and Queensland, a distinct bias has been exhibited against the use of certain timbers of Western Australia; not merely by giving a preference to local timbers on the ground of supposed advantages in their use, but by the

absolute exclusion of Western Australian timbers from the specifications of Government and Municipal Departments, thus denying those timbers an opportunity of even appearing as competitors against the local timbers?

2. Does he consider that the carrying of State local preference to this extreme, in regard to the products of other Australian States, is in keeping with the spirit of Inter-State freedom of commerce which is aimed at in the Commonwealth Constitution, or conducive to the growth of a generous and neighbourly feeling among the different peoples of Australia?

3. Will he, as Prime Minister, address a communication to the official heads of the five (5) Australian States drawing their attention to this unneighbourly action, and pointing out the danger which might result from the growth of a retaliatory spirit in regard to other State products?

Mr. DEAKIN.—The answers to the honorable and learned member's questions are as follow:—

1. I am not aware and regret to learn that any such bias is suspected.

2. The existence of any such bias is undoubtedly to be deprecated.

3. I will forward to the Premiers copies of the honorable member's statement in this regard.

STATIONMASTERS ACTING AS POSTMASTERS.

Mr. JOHNSON asked the Postmaster-General *upon notice*—

1. Is it a fact that stationmasters performing the duties of postmasters receive no remuneration from the Department for their services?

2. Is it a fact that an annual allowance is made to the Railway Departments for the services of stationmasters as postmasters?

3. Is he aware that stationmasters performing the duties of postmasters, although held responsible by the Postal Department for the efficient performance of their duties, receive no portion of any monetary allowances paid to the Railway Departments for their services?

4. Will he inquire into the foregoing matters with a view to securing reasonable remuneration being paid to such stationmasters for their services as postmasters?

Mr. AUSTIN CHAPMAN.—The answers to the honorable member's questions are as follow:—

1. Yes.

2. Yes.

3. Payments are made to the Railway Departments in accordance with their request, and it is not known whether the officials concerned receive any portion of such payments.

4. The services of the railway employees can only be obtained by the Postmaster-General's Department on terms agreed to by the States authorities, and the Postmaster-General has no power to interfere in the arrangements made by the State with its officers in connexion with the matter.

STREET LAMPS: VICTORIA BARRACKS.

Mr. KELLY asked the Minister representing the Minister of Defence, *upon notice*—

1. Is it not a fact that prior to Federation the New South Wales Defence authorities used to maintain four street lamps on the southern side of Oxford-street, fronting the Victoria Barracks, Paddington?

2. Have these lamps since been disconnected?

3. Is it not a fact that the Defence Department does not pay anything to the Paddington municipality for the many municipal advantages enjoyed, or to help to defray the cost occasioned to the Paddington Council by natural drainage off the large area occupied by the Department at Victoria Barracks?

4. Is it not a fact that this side of Oxford-street at this point is rarely used by the general public, but is a great convenience to the Barracks?

5. In view of the false impression that may otherwise gain ground as to the Commonwealth's sense of its moral obligations, will the Department re-connect these lamps with the gas mains?

Mr. EWING.—The information required is not available in Melbourne. Steps are being taken to obtain it, and it will be placed on the table as soon as it is received.

AUDITOR-GENERAL'S REPORT.

Mr. WILKINSON asked the Treasurer, *upon notice*—

Whether he is yet in a position to inform the House when the Auditor-General's report will be available to members?

Sir JOHN FORREST.—It is hoped that within a fortnight the Treasurer's statement will be ready for transmission to the Auditor-General, who, I am informed, within a month thereafter will be able to report upon it to Parliament.

LONG SERVICE AND GOOD CONDUCT MEDALS.

SERGEANT CONYERS.

Mr. KELLY asked the Minister representing the Minister of Defence, *upon notice*—

1. Prior to Federation were not members of the New South Wales Permanent Forces, to whom had been awarded the medal for Long Service and Good Conduct, entitled to a gratuity of £10 under the Regulations?

2. Did not Sergeant Conyers, late of the R.A.A., enlist under these Regulations?

3. Are not the following, consequently, facts:—

(a) That he was enlisted under conditions entitling him to look forward to the enjoyment of this gratuity at the conclusion of his service, provided cer-

tain conditions of good conduct had been complied with?

- (b) That his conduct was exemplary throughout his long term of service?
- (c) That the only thing which has prevented him obtaining this gratuity was the transfer of the New South Wales Military Forces to the Commonwealth?
4. Was the enjoyment of this gratuity denied to members of the New South Wales Military Forces who had enlisted under the New South Wales Regulations, because no such provision obtained in any other State?

5. If so, why were not the salaries and privileges of Victorian civil servants reduced after Federation to the level obtaining in the other States?

6. Were the Victorian civil servants permitted to retain their exceptional rates of pay because the Constitution declares that no officer of the State shall suffer by his transfer to the Commonwealth?

7. Will the Government mete out the same treatment to the military forces transferred to the Commonwealth from New South Wales as has been given without question to the civil servants of Victoria?

Mr. EWING.—The answers to the honorable member's questions are as follow:—

1. The Regulations published in New South Wales *Government Gazette* of 12th March, 1897, to govern the issue of medals to the Permanent Military Forces of New South Wales provided for a gratuity not exceeding £10 being paid to each soldier awarded the medal for Long Service and Good Conduct.

These Regulations were superseded on the 31st January, 1902, by Commonwealth Regulations which do not provide for the payment of any gratuity.

2. Sergeant Conyers enlisted in the R.A.A. on 4th December, 1885, i.e., twelve years before the publication of the Regulations under which Long Service Medals were awarded.

3. (a) This is dealt with in my reply to question 2.

(b) He was awarded the Long Service and Good Conduct Medal on 27th February, 1904, which shows that his conduct has been exemplary.

(c) The Military Forces of New South Wales were transferred to the Commonwealth on the 1st March, 1901; the payment of gratuities to soldiers awarded the Long Service and Good Conduct Medal was continued until the Commonwealth Regulations came into operation on 31st January, 1902. Sergeant Conyers did not complete the eighteen years' service required to be eligible for the award of the medal until the 4th December, 1903.

4. No. It was considered inadvisable by the Government, on the ground of expense, to provide for such gratuities throughout the whole of the Commonwealth.

5, 6, and 7. The answers to these questions do not come within the province of the Minister for Defence.

TELEPHONE RATES.

Mr. FAGE asked the Postmaster-General, *upon notice*—

Whether he will inform the House as to when he intends to give it the information asked for several times as to the Government's intention with regard to the reduction of Telephone rates worked on the condenser principle?

Mr. AUSTIN CHAPMAN.—I will give the information referred to on Tuesday next.

SYDNEY TELEPHONE EXCHANGES.

Mr. AUSTIN CHAPMAN.—Yesterday, the honorable member for Lang asked the following questions:—

1. Is it a fact that, contemplating a visit from the Federal Electrical Engineer to Sydney, great activity is being shown by the Postmaster-General's Department in having the Central and Branch Exchange switchboards and apparatus cleaned up, and that the telephone mechanician is making nightly visits (after his ordinary working hours) to various exchanges, inspecting the apparatus, &c.?

2. If it is necessary that this has to be done, will the Postmaster-General take steps to have inspectors, or district supervisors, appointed (as provided for in the Reclassification Scheme) to carry out these duties, and thus relieve the mechanician of having to perform these duties in his own time?

3. Is it a fact that the telephone test room had been allowed to get into a filthy condition, and that practically the whole of the staff were employed removing rubbish, which had been accumulating for years; the ordinary work of the branch having to remain in abeyance until this work was finished?

4. If it is necessary that these cleaning operations should be done just at this time, in contemplation of a visit from the Federal Electrical Engineer, why are steps not taken to have these rooms always kept in a clean condition; and will the Postmaster-General see that the staff is increased to provide for this being done regularly, without interfering with the ordinary work of the branch?

The Acting Deputy Postmaster-General, Sydney, has furnished the following information:—

1. Inspections have been made by telephone mechanician when necessary in accordance with instructions issued five years ago, and it was found necessary for him to specially visit branch exchanges latterly after hours owing to some small matters not having been attended to at some of these exchanges; these inspections were quite independent of the chief electrical engineer's visit.

2. Suburban supervisors are already appointed, and the inspections referred to in No. 1 are necessary to see that they are carrying out their work properly.

3. No; there are no grounds whatever for the statements.

4. Answered by No. 3.

Mr. EWING.—The honorable and learned member for Corio asked on 16th August how many officers and men were borne in H.M. ships of the Australian Squadron. The Vice-Admiral, Commander-in-Chief, reports that on the 1st August, 1906, 187 officers and 3,164 men were borne. The following is a detailed statement:—

Ship, &c.	No. of Officers.	No. of Men.
Sydney Naval Establishments (including <i>Pyramus</i> , under-going refit) ...	16	257
<i>Powerful</i> ...	51	778
<i>Challenger</i> ...	23	429
<i>Encounter</i> ...	18	406
<i>Cambrian</i> ...	17	284
<i>Pegasus</i> ...	13	207
<i>Prometheus</i> ...	11	222
<i>Pioneer</i> ...	10	174
<i>Psyche</i> ...	10	192
<i>Torch</i> ...	7	102
<i>Penguin</i> ...	11	113
Totals ...	187	3,164

GWALIA POST OFFICE.

Motion (by Mr. MAHON) agreed to.

That all papers of whatever character in connexion with the erection and opening of the post-office at Gwalia, in the State of Western Australia, be laid upon the table of this House.

CONSTITUTION ALTERATION (SPECIAL DUTIES) BILL.

Motion (by Mr. DEAKIN) proposed—

That leave be given to bring in a Bill for an Act to alter the Constitution with respect to the appropriation of Special Duties of Customs and of Excise.

Mr. JOSEPH COOK (Parramatta) [3.37].—I think that the Prime Minister might give us some inkling as to the object of his proposal. He might tell us, for instance, whether it has anything to do, as has been suggested in some quarters, with the old-age pension scheme, or the paucity of the funds in possession of the Treasurer, or whether it is contemplated to bring down another schedule of bounties, in order to place at the disposal of the Minister of Trade and Customs further funds for distribution throughout the Commonwealth. He might explain why he proposes to take the grave step of altering the Constitution for the purpose of appropriating special duties of Customs and Excise. Is it contemplated, for instance, to raise additional

to what special purposes are they to be appropriated? I should like to know whether the Prime Minister has the slightest notion that he will be able to deal with such legislation as that now proposed during the few remaining days of this Parliament. I find that on the business-paper we have already nine proposals, some of which are of a very important character, whilst other proposals, which will require the serious consideration of this House, are before the other Chamber. In fact, the notice-paper is glutted with business, and now two most important proposals are sought to be added. It strikes me that neither the Prime Minister nor the Treasurer anticipate that they will be able to deal with the two important measures which they are now bringing forward. It may be that the Prime Minister is adopting a novel way of publishing his manifestoes to the country. If so, I congratulate him upon his ingenuity, because, all that he will require to do will be to take the business-paper with him when he goes to the country. One cannot imagine a proposal of more urgent and supreme importance to the Commonwealth than that of the Treasurer relating to the States debts. We know what that means, but we have not had the slightest indication as to the nature of the Prime Minister's intentions.

Mr. GLYNN (Angas) [3.40].—It is not usual to object to or criticise a motion asking for leave to introduce a Bill, but when we have placed before us a proposal which indicates that steps are to be taken to make a series of alterations in the Constitution. I think that honorable members are entitled to ask for information. I am puzzled to know what the motion of the Prime Minister really means. If what I consider to be the vicious policy of ear-marking certain duties of Customs and Excise is to be adopted, that course could be followed without altering the Constitution. I suppose that it is intended to make an appropriation in advance of special duties of Customs and Excise for some specific purpose. I do not wish to discuss the policy of such a proceeding, but I think that it has special drawbacks, and is most vicious. I think that it would be better for the Prime Minister to tell us what he is really aiming at. There is nothing in the Constitution to prevent the appropriation of the proceeds of a particular duty for a special purpose. After October next we shall be in a position to appropriate the surplus revenue from Cus-

toms and Excise revenues, as we think fit. As I have said, although it is unusual to object to a motion for leave to introduce a Bill, there is some justification for asking for information, seeing that this motion is apparently the beginning of a series of amendments of the Constitution. The House ought not to approve of any casual tampering with the Constitution. In the United States a series of amendments have been embodied in the Constitution, owing to the adoption of methods similar to those proposed to be followed here. At the beginning they were constitutional amendments, but now the majority of them are really legislative amendments. As a result, the State Constitutions of America are really a long series of provisions upon general matters as well as instruments declaring the fundamental relations of the people to the Government.

Mr. DEAKIN (Ballarat—Minister of External Affairs [3.46].—It is not usual to make a statement of this kind, but I may reassure my honorable friends by saying that both the Bills which we desire to introduce will be found simple in the extreme. I expect to see the measure which will be introduced by the Treasurer unanimously adopted almost without discussion. It would not be in order for me to allude to its provisions beyond saying that every Treasurer of the Commonwealth, every leader of the Opposition, and almost every member of this House has declared himself in favour of enabling the whole of the debts of the States to be taken over by the Commonwealth if Parliament should decide to do so. That is all that the Bill has reference to. It will not accomplish anything, but it will simply enable what I have indicated to be done. The measure which I desire to introduce will not deprive the States of anything which they now possess; it simply provides that any revenue derived from new duties which may be imposed by this Parliament or by succeeding Parliaments for any special purpose shall be capable of being devoted entirely to that purpose, instead of three-fourths of it being, as at present, returned to the States, and one-fourth of it being retained by the Commonwealth. The measure does not appropriate anything, but it enlarges the powers of the next Commonwealth Parliament. Should it be assented to by Parliament and the people it will enable the next Parliament to deal either with the question of old-age pensions, or with any other

scheme which would make a large demand upon the funds of the Commonwealth.

Mr. McWILLIAMS.—It provides for the imposition of special duties for a special object?

Mr. DEAKIN.—It will enable a new duty to be imposed for a special object. Only that, and nothing more.

Question resolved in the affirmative.

Bill presented, and read a first time.

CONSTITUTION ALTERATION

(PUBLIC DEBTS OF STATES) BILL.

Sir JOHN FORREST (Swan—Treasurer [3.48].—I move—

That leave be given to bring in a Bill for an Act to alter the provisions of the Constitution relating to the public debts of the States.

I may remark that the sole object of this Bill is to enable the electors of the Commonwealth to decide the question as to the wisdom or otherwise of empowering the Commonwealth to take over the whole of the States debts instead of taking over only the debts which existed at the time of the establishment of the Federation.

Mr. WATSON (Bland) [3.49].—I should like to know whether the Treasurer has submitted to the Attorney-General the question which I raised during the course of the Budget debate as to whether the amendment which he himself has outlined in the Constitution will be sufficient to empower this Parliament to take over a maturing loan in any State without at the same time being compelled to take over an equal proportion of the debts of every other State. I am convinced, not merely from my own reading, but from opinions which have been obtained from legal gentlemen that it will be necessary to acquire some such power if the Treasurer is to have that free hand which, in my view, is essential to the economic treatment of this question. I should like to be assured that the Bill will be sufficiently far-reaching to permit of action of that kind being taken.

Mr. CROUCH (Corio) [3.50].—I desire to know if there is any reason underlying the introduction of two separate Bills for an amendment of the Constitution. Are they introduced merely as a matter of practice, or is it an absolute necessity that a separate Bill should be introduced in connexion with every contemplated amendment of the Constitution?

Sir JOHN FORREST (Swan—Treasurer) [3.51].—In reply to the remarks of the honorable and learned member for Corio, I merely wish to say that two Bills are being introduced so as to provide for

an easier reference of each question involved to the people. The course that we are following will afford the electors an opportunity of saying whether they are in favour of one amendment and not in favour of the other. I am glad to be able to give the honorable member for Bland my assurance that the Government propose to take the widest power to meet the case which he suggests, so that this Parliament may be empowered to take what action it may choose in regard to all previous as well as all future loans.

Question resolved in the affirmative.

TARIFF AGREEMENT:

COMMONWEALTH AND NEW ZEALAND.

TARIFF PREFERENCES:

COMMONWEALTH AND UNITED KINGDOM.

Mr. DEAKIN (Ballarat—Minister of External Affairs) [3.52].—In laying upon the table of the House a copy of the provisional agreement which was entered into between the late Prime Minister of New Zealand and the Commonwealth Government, which has now been indorsed by the successor of Mr. Seddon, I do not intend to detain the House except to offer a few words of explanation. My colleague, the Minister of Trade and Customs, will submit, as the next business of the House, the customary resolution in order to protect the revenue in consequence of any effects which the proposed treaty may have upon our existing Tariff. Honorable members will recollect the untoward circumstances which have been responsible for delay in the presentation of this agreement. The sudden and most regrettable decease of the great statesman who, for so many years guided the fortunes of our sister State, necessitated a reconstruction of its Government, and the return of its present able leader from the old world. Until the new Cabinet had an opportunity of perusing the agreement and of considering their obligations in regard to it, it was impossible for us to present it to the people of this country. I am happy to say, however, that the Government of New Zealand have to-day taken the necessary steps to submit this agreement to its Parliament. Only a moment ago, whilst I was in the very act of rising to my feet, I received from the Prime Minister of New Zealand a cable which informs me that the reciprocal resolutions—that is to say the re-

solutions providing for this reciprocal Tariff—have passed the House of Representatives, and now have the force of law prior to the introduction of a Bill. I learn from the message that in the New Zealand Parliament the treaty has been referred to the Industries and Commerce Committee to report upon it within one week. The cablegram is signed by Sir Joseph Ward, the trusted Prime Minister of New Zealand. One reason why I have intervened prior to the submission of the resolution is because honorable members will notice that the agreement includes a reference to some duties not to be found in the resolutions when submitted. That is the case where our duties have not been altered, but are embodied in the agreement, because it binds both New Zealand and ourselves not to alter them, except with proportional concessions to each other, unless the assent of the other party is first obtained. There is a compact between us which involves no Tariff alteration. That has been omitted from the resolution which my colleague will presently propose. The covering portion of this provisional agreement sets out upon its face—as no resolution submitted in Committee of Ways and Means need do—both its purport and character. Our agreement reads—

The Governments of the colony of New Zealand and of the Commonwealth of Australia desiring to promote trade and intercourse between their respective countries as a means of closer union have agreed to recommend to their Parliaments reciprocal and preferential concessions in certain Customs duties upon the following conditions:—

The respective Tariffs to be amended so as to impose duties at the rates named in the schedule hereto on articles of produce or produce and manufacture of and imported from New Zealand and Australia respectively.

No reductions or increases or impositions of duties on articles named in the schedule are to be conceded by either Government to any other country until the consent of the other Government has been obtained. In the event of any such reductions or increases or impositions of duties being insisted upon by either Parliament, this agreement shall be terminable by the other Parliament on twelve months' notice.

Provided, however, that this agreement shall not be affected should Australia or New Zealand or both make the reduction of duties necessary to take advantage of the recent South African Customs Convention.

The proportion between the special rates of the schedule and the ordinary Tariff is to be maintained should either party alter its ordinary Tariff.

This arrangement is to come into force on a date to be proclaimed by the Governor-General and Governor of New Zealand respectively

after both Parliaments shall have accepted it, and shall remain in force for three years, and thereafter until one year's notice be given by either party.

ALFRED DEAKIN.
R. J. SEDDON.

Mr. JOHNSON.—Has the Prime Minister any objection to say whether fruit is included in the schedule?

Mr. DEAKIN.—The honorable member's question will be legitimate directly we get into Committee of Ways and Means, but I am suppressing detail in order not to complicate the consideration of the principles to which I desire to draw attention. I do not propose to detain honorable members, as the importance of this step would well justify me in doing, by offering any exposition of the real significance of the agreement. That can well await the detailed consideration of the proposals themselves, and would perhaps appear better as a summary of their consequence than as an anticipation of what is now offered in this Parliament. But I do not think that the agreement should be laid upon the table without a recognition of the fact that this is the first step of the kind taken by this Parliament—almost the first step of the kind taken by any Parliament in Australasia—that it marks the initiation of a most important movement towards a closer relationship with that community, which is both geographically nearest to us and united to us by the most intimate ties. In itself, therefore, it marks a new departure in the history of the Commonwealth and of Australasia. Indeed, at this moment I do not recall any such reciprocal treaty in existence between any two portions of the Empire. The Canadian treaty and the South African treaty both extend special advantages to the mother country, without those countries receiving anything in return. In the present instance our two communities—neighbours in the Pacific—have come together for the purpose of endeavouring to enter into commercial relations of a wider character than those which have hitherto obtained. I need not remind honorable members that the very fact that we are such neighbours—that our circumstances, both of climate and production, are so similar—renders the making of a treaty of this kind more difficult in most aspects than others into which we could enter. We are people of the same stock, living, working, and producing under conditions so similar that we are necessarily

more or less competitors with each other here and in the world's markets. The exchange between two communities at the same stage of development, and living under the same geographical and climatic conditions, is necessarily much more restricted than one made with dissimilar communities in other parts of the world. Under these circumstances, it need be no matter of surprise that the preparation of this treaty involved a long series of very anxious discussions with the late Prime Minister of New Zealand. As far as those discussions dealt with fiscal particulars in this agreement, the Commonwealth was principally represented by my honorable colleague, the Minister of Trade and Customs. He knows, as I do, how often during the course of those debates, and of examinations of the opportunities which we possess, it appeared as if we had reached the breaking point, and that an agreement of a practical character was not possible. We know the extraordinary ability, mastery of detail, and grasp of the whole circumstances of trade, possessed by the late Prime Minister of New Zealand, who knew, if any man did, all the prospects and circumstances of his own Colony. The patience of that honorable gentleman, and his anxiety to arrive at this agreement, were equal to his knowledge, and, as the outcome of it, we are able to lay before the House an agreement that, in our opinion, ought to meet with acceptance both in the Parliament of New Zealand and in the Parliament of the Commonwealth. We do not claim that it represents in any respect a triumph on our part at the expense of New Zealand, any more than it exhibits concessions and advantages to New Zealand without counterbalancing advantages to the Commonwealth. It was in the adjustment of these mutual concessions that our whole task lay. Recognising the necessary imperfections of every work of this character, we yet submit it with confidence as the result of a resolute determination on both sides to make a legitimate agreement on behalf of our respective peoples. We are now laying a foundation, in the first place, for an extension of trade exchanges between New Zealand and the Commonwealth, and in the next opening possibilities of commercial extension in regard to the rest of the Empire—possibilities for which without such a treaty we could not hope. This proposition is a practical illustration of the fact that protection, as we under-

stand it, is not the inelastic and mechanical scheme its opponents are accustomed to picture. On the contrary, it is elastic and adaptable to the circumstances of each particular people. We recognise that a Tariff which embodies the protectionist ideas of any one community is likely to differ from the Tariff of another community exactly in proportion to the economic and racial differences which separate them. But we also recognise as one of the fundamental features of our policy that it is possible, while amply safeguarding the interests of our own people, to serve those interests by an expansion, on fair terms, of our trade with other communities. Particularly do we believe this to be not only a possibility, but an obligation, in regard to our sister communities within the Empire. This agreement is distinctive since it is the first of its kind submitted in Australasia—the first in the history of the Commonwealth—and, as far as I know, the first within the Empire. Honorable members may recollect, however, that it is not the only proposition of the kind that has engaged our attention. Some time ago we received, through the Secretary of State for the Colonies, a general invitation from the Dominion of Canada to make such a mutual arrangement. We replied asking for a more specific proposal, and suggested an exchange of information. That overture has not been followed up.

Mr. JOSEPH COOK.—Is it likely to be, after the way in which the Government have dealt with the harvesters from Canada?

Mr. DEAKIN.—I do not apprehend that it would afford the slightest obstacle; it might offer an inducement if they thought that they could persuade us to make a concession. Communications have also taken place between the Commonwealth and our other sister community, in South Africa. These had to be postponed in the first place because of the holding of the periodical Customs Convention; but when we had an opportunity to examine the schedules framed by that Convention we made a proposal to South Africa, which it appears must be submitted to the several States that form the Customs Union. The cable acquaints us with the fact that, in those parts of the Empire, very serious questions have arisen, which are apparently absorbing the attention of its Governments and peoples. At all events,

we are without that practical response to our proposal that would enable me to say to-day that we expect to be able, within a short time, to lay upon the table an agreement for more familiar trade relations with the people of South Africa.

Mr. McWILLIAMS.—They say that they are waiting on us.

Mr. DEAKIN.—I beg the honorable member's pardon; they have never said so. Certain agents of Australian States have made such an assertion. We have submitted a proposal specifying the exact concessions that we offer, and have been for some time waiting for a response. The delay which has occurred in no degree results from either any action or inaction on our part.

Mr. CROUCH.—What was the legislative authority there?

Mr. DEAKIN.—The Customs Convention, whose conclusions have to be accepted by the four Colonies. One or other of those Colonies is at present the cause of the delay. I hope—although I cannot say that I expect—that before the close of this Parliament we shall be able to lay upon the table a Tariff proposal of mutual advantage to South Africa and the Commonwealth. In entering into this proposed reciprocal agreement with New Zealand we felt ourselves necessarily pressed both by the example of New Zealand itself and also by our own sentiment, which made it in some respects repugnant to us to exclude from the scope of our consideration of a question of this kind our own relations in the mother country. Although the political circumstances of the United Kingdom are not at present such as to encourage us to believe that we are likely to receive a proposition from the Imperial Government for a mutual Customs agreement based upon principles of reciprocal advantage, we realize that in the course of time, at all events—

Mr. BAMFORD.—A long time hence.

Mr. DEAKIN.—It may be long or short, but some of us feel that probably in a short time the complexion of thought in that country will change in this regard. We feel that there must be such a change when once its people are satisfied that our object is not to make a raid upon their industrial life, or to invite them to make a raid upon our local development. Our aim is to examine our trade with other countries, with whom we have no political relationship or any racial tie, in order to determine whether we cannot, for our

mutual advantage, divert that trade to each other, and, by sharing it, add to the development of the Empire.

Mr. MAHON.—And perhaps increase the cost of food to the people of Great Britain.

Mr. DEAKIN.—I do not hold that result to be at all necessary, and believe it can be avoided in every practical sense. In any case they have the entire control of their own affairs in this regard, just as we have of our affairs. No agreement can be accepted unless the electors of Great Britain as well as those of the Commonwealth consent to it. Both parties require to be satisfied that the bargain to be struck is a fair one. Proposals of this nature partake of two elements—that of the business bargain and that of the racial tie. My honorable colleague to-day will submit, in addition to the motion consequent upon our agreement with the Government of New Zealand, a motion of our own covering a grant to the mother country of an advantage over her commercial rivals in the markets of our Commonwealth. We believe that this advantage can be conceded by Parliament without the sacrifice of the local interests that we are pledged to protect. We believe that it will beget a better understanding between ourselves and the mother country; that it will be an earnest of the possibilities we possess of ultimately entering into mutual trade relations of a much larger and much closer kind. We do not put forward this preference as more than the mere forerunner of complete preferential trade with the mother country; we put it forward as only an earnest of further advances that we are prepared to make providing we are met in the same spirit and with the same motive. Desiring to take no advantage of our kinsmen in the old world, we are prepared to wait until they are convinced, as we believe they will be, that it is to their advantage, as well as to our own, that we should enter into closer and more intimate trade relations. With the awakening of a true national consciousness, we shall sound the death knell of many of the fiscal superstitions that now obscure the future of our peoples on both sides of the world. We hope a clear vision will follow in due course. In the meantime, this is a preliminary overture. It is no more than a first short step on the road we desire to travel, and along which we hope and believe we shall proceed in amity together for all time.

Mr. KELLY.—The overture of a brass band!

Mr. DEAKIN.—Our overture is hopeful. Compare the response made to our former appeal to individual States. To-day we find a most remarkable change of front on the part of those who formerly would have opposed us bitterly if we had made such a proposition. After the evidence of an awakening that we have had during the last few days in our Bounty Bill, we have no doubt that little more is necessary to induce honorable gentlemen opposite to adopt these and similar proposals as cordially as they are adopting others which hitherto they have spent their political lives in denouncing. I have been diverted in my purpose, which, when I rose to make these remarks, was in no sense controversial. I have allowed a cross fire of interjections to pass by unnoticed, and propose to leave them with this brief, and, as I believe, sufficient, answer for one and all. I lay this agreement upon the table with great anticipations that it will prove a seedling, hereafter to attain proportions nobler than any of us can foresee. It is an agreement with New Zealand, based upon considerations of a business character, of the potencies of trade exchanges between us. The preference to the mother country is not reciprocal, and merely a preliminary, made as an earnest of our hopes and aspirations in regard to the establishment of closer relations with her and with other parts of the Empire. In considering this reciprocal agreement with New Zealand, we must be prepared to determine what reasonable reductions as well as what reasonable increases may be made of our existing duties. We are not called upon to make the same reductions to the United Kingdom, because this is not a bargain. It is a one-sided advance, if regarded merely from a commercial stand-point. It is something more concrete than the open offer we have already made. That offer is repeated here and now, with additional emphasis, in order to show that we adopt a policy of protection for Australasia which is capable of fostering a policy of protection for the whole Empire. We believe that the strength and influence of the Empire depend upon the ties which unite it, and upon the power and capacity to make the best use of our peoples and their powers. While we do not exaggerate, we are far from ignoring the importance of the commercial ties essential to national life. What unity of sentiment we possess in the Commonwealth has been brought about chiefly by the creation of a uniform Tariff. When

that Tariff has been thoroughly and completely modelled, as it has not yet been, upon the principles of protection, it will make our people so absolutely one that the idle suggestions of secession which we occasionally hear now will dissipate like the thinnest mist. In deepening the unity of Australia, we hope to extend its patriotic impulses to embrace our fellow countrymen in New Zealand, South Africa, Canada, the United Kingdom, and, indeed, wherever the flag flies. Our ships are part of our territory in truth and in law. Our union will be partly based upon practical considerations which should never be neglected. Of these the greatest is the stimulus of hope in each other, and the steady force of mutual assistance. We can and ought to enhance the wealth, the resources, the reserve powers, and the intercourse of the peoples who to-day hold Australia with the fleet, and by whose help we shall, if necessary, standing together, be able to face a world in arms. But we shall not be able to do so if we continue to share as recklessly as we do to-day the wealth and opportunities which we possess with foes and strangers, without demanding those equivalents which we can obtain from our own race and our own stock all round the world. This fiscal step, short as it is, marks an advance upon the high road of the modern world which leads to true national greatness. The full development of Australia is to be won and retained within the full development of an united Empire. I move—

That the paper laid upon the table be printed.

Mr. JOSEPH COOK (Parramatta) [4.19].—I congratulate the Prime Minister upon having taken advantage of this opportunity to deliver his pronunciamento to the electors of Australia. It was a shrewd move to deliver a carefully-prepared speech of this character before the proposals with which he dealt are available to honorable members, thereby placing those who desire to reply to him at the disadvantage which ignorance must entail.

Mr. DEAKIN.—I assure the honorable member that I did not come with a note for the speech just delivered.

Mr. JOSEPH COOK.—I congratulate the honorable and learned member on his—

Mr. LONSDALE.—Cuteness.

Mr. JOSEPH COOK.—Slimness would be the better word, and upon the high sense of fairness which appears to dominate him in discussing these controversial subjects. He began by disclaiming any party intention in connexion with the mak-

ing of these proposals, but he ended by delivering a party speech meant, not for this House, but for the electors. There are ominous signs of a speedy appeal to the constituencies, and the sooner that appeal is made the better, if in the meanwhile the time of Parliament is to be occupied by the making of election addresses. While we are here, we should attend to the business of the country, instead of wasting our opportunities in empty political pyrotechnics such as have just been indulged in by the Prime Minister. Having thus referred to his foreword, which I regret to say was a purely political word, I wish to add that we on this side welcome any proposal for reciprocity with New Zealand, or any other portion of the Empire. The thought occurs to one, why should there not be absolute free-trade between New Zealand and Australia? Why should there be a fettered trade, the difficulties of which it will take a supreme effort to overcome? Why should these difficulties exist? Clearly they arise from the determination of the Government to keep our doors closed against New Zealand in regard to most of the commodities which we in common produce.

Mr. DEAKIN.—The feeling in New Zealand is just as strong.

Mr. JOSEPH COOK.—It may be so, and no doubt is; but that does not make it the more righteous that members of the same race, separated from each other by only a narrow strip of sea, should erect the barriers which now divide us. Honorable members ought to realize that New Zealand is much nearer to Australia than are some of our States to each other. The distance from Australia to New Zealand is only about 1,300 miles, whereas, I am told, that from Queensland to Western Australia there is a distance of over 3,000 miles by sea. Would it not be infinitely to our advantage to have absolute freedom of commercial intercourse between New Zealand and Australia?

Mr. HUTCHISON.—Let New Zealand join the union.

Mr. CAMERON.—The people of New Zealand are not such fools as to do so.

Mr. JOSEPH COOK.—They have kept out of the union because of their isolation, not because of their distance. Many efforts were made to induce them to join with us. They sent representatives to the first Convention, and it was then understood that they would be part and parcel of any Federation. The way can be paved

to fuller and completer union by unionising the trading routes between New Zealand and Australia. There is no reason why we should shut our doors against New Zealand, or why she should shut her doors against us. Union between the two countries will come along the lines of the commercial routes, and it is worth while to consider whether we cannot bring about a closer commercial union than exists now. We are, of course, in ignorance of the extent of the limited commercial unity aimed at by the proposal which has been made. But is it necessary to protect ourselves from the competition of New Zealand? Have we to fear the competition of pauper labour, or of those on a lower plane of civilization there? The ordinary arguments for protection which may apply to the competition of foreign nations do not apply in this case. There is no reason why there should not be full and complete unity between the two countries, so far as trading relations are concerned, and a proposal for such unity would have been a better one for the Prime Minister to herald with such a flourish of trumpets than the modified system now proposed. The honorable and learned gentleman gave us no particulars. While speaking of this greater brotherhood, of this larger degree of amity, concord, and unity of sentiment and purpose, he failed to say whether the intention is to reduce or to increase duties. What is the basis of the proposal? Is this another effort to sneak in more protection? We have had too much sneaking in of protection in this Parliament. It is time that more straightforward methods were adopted in regard to the imposition of duties. A series of sinister proposals has been laid before us, having for their supreme object the placing of further restrictions on the trade of Australia. I am not now arguing whether that is a good or a bad thing; but I denounce the paltry methods which have been adopted. If we are to have protection, let us bring it about by methods which are fair and above-board. Let the Government make their proposals for the imposition of duties straightforwardly, relying on the strength which they profess to have behind them. Do not let them, under cover of this and that proposal, try to foist further restrictions on our people, without reference to the electors, and in a Parliament pledged to fiscal peace. The Prime Minister referred to some criticism supposed to have

been made by those who do not subscribe to the same fiscal faith as he professes, about the want of elasticity in the protectionist theory; but no one with whom I am acquainted has ever denied that protection is a very elastic policy. It is stretched by the honorable and learned gentleman to cover every industrial and social virtue. By a sort of spurious and empirical reasoning, he makes it the be-all and end-all of everything that is good, true, high, and holy. I do not at all subscribe to his methods of argumentation, than which none are easier, more fallacious, or misleading. Protection is an economic theory which has to do with certain phases of our industrial existence, but it does not stretch away into, nor is it concerned with, all the social functions of the States, as the Prime Minister is always preaching from the house-tops. There is a good deal of elasticity about protection, and I am anxious to see how elastic the ideas of Ministers are in connexion with the proposals for bringing about a closer union between the Commonwealth and New Zealand. Is the stretching of the duties to be up or down—that is the point? Is it proposed to stretch the duties in an upward direction, to keep them as they are, or to bring them down below the present rates, in order to favour the mother country? Is the Prime Minister, under cover of the reciprocity treaty with New Zealand, going to erect a still higher protectionist wall around Australia? If so, he proposes to be generous at the expense of the people of Australia.

Mr. McCOLL.—That will depend upon this House.

Mr. JOSEPH COOK. — I know that, but I am obliged to make these remarks in ignorance, because of the conditions under which the speech of the Prime Minister has been delivered. There will be no difficulty in entering into reciprocal relations with the old country if the Prime Minister is prepared to adopt the only means by which they can be brought about. He is so generous in his attitude towards the old country that he wants the people of the United Kingdom to upset the whole of their trade relations to accommodate Australia. They say that they cannot afford to do so. That is the verdict of the electors of Great Britain. Because of the problems confronting them affecting questions of Empire and their relations with the rest of the world, they are not able to do what he suggests. Yet the Prime Minister can do

nothing more than ask 40,000,000 people in Great Britain to make a great and grave departure from the theory of industrial life which has so long stood them in such good stead. He wants them to throw that theory overboard, or to cripple and maim it, before he will treat with them at all, with a view to bring about what he calls a closer brotherhood. There is no generosity in that. If the Prime Minister were to say to the people of England, "You are of the same race that we are, you belong to the same blood and have the same ideals. Come, let us trade together for what it may be worth for each of us"—that would be a generous attitude to adopt towards the great mother country. But there is nothing generous in the position taken up by the Prime Minister. He stands with the walls of protection built high around Australia, and will not take them down. He talks about brotherhood and loyalty. Let him show that he is sincere by adopting an attitude of self-sacrifice. Surely there are abundant reasons why we should be generous towards the old country, even to the point of making considerable sacrifices. I am making these remarks without knowing anything as to the proposals to be submitted, and I say again that the Prime Minister might have reserved his speech until the House was in a position to know something more of the matter regarding which he has spoken in such eloquent terms. He expressed the hope that these proposals relating to reciprocity between the Commonwealth and New Zealand would prove to be of the nature of seedlings. Whilst some seedlings are good, others are bad. Some seedlings develop into beautiful trees. Others become stunted, or cancerous and loathsome growths. The result all depends upon the nature of the seed that is sown. I hope that the seeds that are sown in this case will germinate, and that the resulting growths will bring forth fruit in abundance—the fruit of a closer union of the peoples in these seas, and inducement to follow a common pathway in the realization of a common ideal.

Mr. LONSDALE (New England) [4.36].—No one would be better pleased than I would to see the bounds of freedom widened by the proposed reciprocity treaty. The Prime Minister referred to the fact that there had been an awakening of members on this side of the House, but we who have sat here in direct opposition to the Government have always been ready to give the greatest assistance to the old coun-

try. The Prime Minister talks beautifully about the advantages that he is prepared to confer upon the old land. He gets on the stump, and makes the most eloquent pronouncements on the subject. He says that he loves the old land, and is prepared to make immense sacrifices for her benefit. He tells the people what he is prepared to do in this direction, and girds at honorable members upon this side of the Chamber, whom he represents as being hostile to the fulfilment of his high aspirations. That, however, is not a correct view of the case. He knows full well that honorable members on this side would be willing to bring about the greatest possible freedom of trade with the old land. I would ask the Prime Minister whether he has ever made any proposals that would confer any advantage upon the old country? I challenge him to mention any benefit that he ever offered to extend to the people of the United Kingdom regarding whom he speaks so beautifully, and whom he professes to love so much. What we desire is some direct proposal that will give to the old country some advantage in return for what we ask her to do upon our behalf. The proposals that the Prime Minister has made in connexion with reciprocal trade with the old country have been of the meanest possible character. They have been absolutely destitute of generosity. He seemed to indicate that the proposals which are to be submitted in connexion with reciprocal trade relations with New Zealand may lead to some increase of duties as against the outside world, although not against the mother country. Does the Prime Minister suppose that that will benefit Great Britain? He must know very well that it will not. If he wishes to place the mother country in a position of advantage, let him remove the duties now levied upon the goods sent to us by her. If he does not care to abolish altogether the duties levied upon British imports, he should propose some reduction. If he moves in that direction he will find me supporting him, because I desire to bring about greater freedom of trade between the Commonwealth and the old country. I would be prepared to reduce the duties to the lowest possible degree. In the past the Prime Minister has asked Great Britain to impose duties upon her food stuffs. He has asked her to raise her Tariff wall, and to make it harder and more difficult for the poorer classes to live. He has suggested

that they should take out of their mouths some of the bread that they now have to eat, that they should take off their backs some of the clothing that they now have to wear, and that they should voluntarily submit to more miserable conditions than those which now obtain. He has done this out of what he calls love for the people of England. If he were to propose to give some advantage in return for all this, I should say that even though he might be mistaken in his methods, he was actuated by some feeling of generosity. But he has never stated that he would make any reduction of the duties imposed on the goods sent to us from the old land. I cannot help thinking that the declarations of the Prime Minister have been so much hypocritical pretence.

Mr. SPEAKER.—Order. The honorable member must withdraw that remark.

Mr. LONSDALE.—I withdraw the remark. I would say, however, that when any man stands on the platform, and says that he wants to help the old land, and then proposes that she should increase the duties upon her food stuffs without receiving any concession in return, he must know that what he is proposing is a mere sham. The Prime Minister beats the big drum, and talks very glibly about the advantages of protection. That policy has cursed Victoria, and we must do our best

to prevent the Commonwealth being doomed to the same fate. I think that I have succeeded in exposing the absolute insincerity of the Prime Minister when he professes love for the old land, and at the same time makes the most mean proposals under the title of a generous sacrifice.

(Question resolved in the affirmative.)

TARIFF AGREEMENT: COMMONWEALTH AND NEW ZEALAND.

In Committee of Ways and Means:

Sir WILLIAM LYNE (Hume—Minister of Trade and Customs) [4.45]. — I move—

That, in order to give effect to an agreement entered into between the Governments of the Colony of New Zealand and of the Commonwealth of Australia, with the object of promoting trade and intercourse between their respective countries as a means of closer union, in lieu of the duties of Customs imposed by the Customs Tariff 1902, there shall be imposed from the 30th day of August, 1906, at 4.30 p.m. Victorian time, duties of Customs in accordance with the Schedule attached hereto.

That any exemptions, as also all reductions of duty, in the said Schedule, though provisionally taking effect on and after the aforesaid date, shall not be actually allowed unless and until the said agreement is ratified and brought into operation pursuant to statute, but in the meantime the duties heretofore chargeable shall continue to be levied and paid subject to refund or adjustment when such statute is passed.

THE SCHEDULE.

Import Duties.

No. of Item in Customs Tariff 1902.	Dutiable Goods.	Rate of Duty prior to this Resolution.	Duties.	
			On Dutiable Goods the Produce or Manufacture of New Zealand.	On Dutiable Goods not the Produce or Manufacture of New Zealand.
55	Aerated and Mineral Waters	ad val.	Free	20 per cent.
10	Bacon and Hams	per lb.	per lb., 3d.	per lb., 4d.
14	Butter	per lb.	per lb., 3d.	per lb., 4d.
14	Cheese	per lb.	per lb., 3d.	per lb., 4d.
15 (A)	Candles	per lb.	per lb., 1d.	per lb., 2d.
19	Eggs	per dozen	per dozen, 2½d.	per dozen, 6d.
36 (A)	Fish—Fresh	per lb.	Free	per lb., 1d.
20	„ Oysters	per cwt.	Free	per cwt., 2s.
21 (C)	Fruits, Dried—Raisins	per lb.	Free	per lb., 3d.
21 (A)	„ Currants	per lb.	Free	per lb., 2d.
22	Grain—Barley	per cental	per cental, 1s. 3d.	per cental, 2s.
22	„ Beans and peas	per lb.	per cental, 1s. 3d.	per cental, 2s.
22	„ Maize	per lb.	per cental, 1s.	per cental, 2s.
22	„ Oats	per lb.	per cental, 1s. 3d.	per cental, 2s.
23 (C)	„ Bran, Pollard, and Sharps	per lb.	per cental, 9d.	per cental, 1s.
23 (D)	„ Flour	per lb.	Free	per cental, 2s. 6d.

THE SCHEDULE—*continued.**Import Duties.*

No. of Item in Customs Tariff 1902.	Dutiable Goods.	Rate of Duty prior to this Resolution.	Duties.	
			On Dutiable Goods the Produce or Manufacture of New Zealand.	On Dutiable Goods not the Produce or Manufacture of New Zealand.
22	Grain—Wheat per cental	1s. 6d.	per cental, 1s	per cental, 2s.
23 (A)	„ Oatmeal, Wheatmeal, Rolled Oats per lb.	½d.	per lb., ½d.	per lb., 1½d.
24	Hay and Chaff per cwt.	1s.	Free	per cwt., 1s.
26	Hops per lb.	6d.	per lb., 6d.	per lb., 1s.
28	Linseed per cental	2s.	Free	per cental, 2s.
29	Linseed Meal „	4s.	Free	per cental, 4s.
30	Linseed Cake „	1s.	Free	per cental, 1s.
33	Malt „	6s.	per cental, 6s.	per cental, 7s.
37	Milk, preserved per lb.	1d.	per lb., 1d.	per lb., 2d.
84	Oil, Olive per gallon	1s. 4d.	Free	per gallon, 1s. 4d.
42	Onions per cwt.	1s.	per cwt., 1s.	per cwt., 1s. 6d.
45	Potatoes „	1s.	per cwt., 1s.	per cwt., 1s. 6d.
51 (A)	Soap, perfumed per lb	3d.	per lb., 3d.	per lb., 6d.
110 (C)	Timber, posts per 100	1s. or 1s. 6d.	Free	1s. or 1s. 6d.
(K) or (F)	„ super. ft. }	according to size }		per 100 super. feet, accord- ing to size }
110 (C)	Timber, rails per 100	1s. 6d.		per 100 super. feet, accord- ing to size }
(K) or (F)	„ super. ft. }	according to size }		
110 (D)	Timber, Sawn, Undressed :—			
	„ Oregon, undressed, 12 in. by 6 in. and over, per 100 su. ft.	6d.	...	1s. 6d. per 100 super. ft.
110 (C)	„ Other, undressed, 12 in. by 6 in. and over, per 100 su. ft.	1s.	per 100 su. ft., 1s.	per 100 su. ft., 2s.
110 (K) or (F)	„ Other, undressed, less than 12 in. by 6 in., per 100 su. ft.	1s. 6d.	per 100 su. ft., 1s.	per 100 su. ft., 2s. 6d.
110 (B)	„ Sawn, dressed, per 100 su. ft.	3s.	per 100 su. ft., 3s.	per 100 su. ft., 4s.

The schedule of duties which I have read sets out the concessions which the Commonwealth is making to New Zealand, and the schedule which was laid upon the table of the House by the Prime Minister, and which accompanies a copy of the agreement, shows the concessions which New Zealand is making to the Commonwealth.

Sir JOHN QUICK.—Does the third column in the schedule which the Minister has just read represent the increased rates of duty upon imports from countries other than New Zealand?

Sir WILLIAM LYNE.—Yes.

Mr. DEAKIN.—That column sometimes represents increases of duty, but not always. In some cases there has been a lowering of the duty as against imports from New Zealand, and the old duty remains operative against the outside world,

but in others, there has been a lowering of the rates against New Zealand and an increase against the outside world.

Mr. CROUCH.—Do the rates in the third column of the schedule apply both to the Commonwealth and New Zealand?

Sir WILLIAM LYNE.—In nearly every instance they do.

Mr. PAGE.—I must confess that it is a puzzle to me.

Sir JOHN QUICK.—How many alterations have been made in the Tariff as against outside countries?

Sir WILLIAM LYNE.—I think it would be very much better for honorable members to permit the resolution to be printed. They will then be able to see the position for themselves. I would direct special attention to the fact that, under the agreement, Australian sugar is to be

admitted into New Zealand free of duty. Then an alteration which has been made in the date after which Australian fruit was formerly excluded from that country, will operate greatly to our advantage. The old New Zealand Tariff practically prohibited the importation of Australian fruits, but we induced the late Prime Minister of that country to alter the date, so as to admit them at such seasons of the year as we shall be in a position to export them. The concession which New Zealand has made to the Commonwealth in regard to the admission of sugar is a very important one, as will be seen by reference to the paper which the Prime Minister has laid upon the table.

Sir JOHN QUICK (Bendigo) [4.57].—I desire to know whether it is proposed that the reduced duties on New Zealand produce shall come into operation immediately, or whether they will require statutory authority for their collection?

Mr. DEAKIN.—They require statutory authority.

Sir WILLIAM LYNE (Hume—Minister of Trade and Customs) [4.58].—In reply to the honorable and learned member for Bendigo, I would point out that duties which have been increased against countries other than New Zealand begin to operate immediately, but where reduced duties are imposed the difference between the old rates and the new will be credited to the importer. They cannot be dealt with finally. Only this morning a cable reached the Prime Minister asking that the collection of such duties might be held in abeyance until the Bill had become law.

Sir JOHN QUICK. — But the increased duties proposed will come into force at once?

Mr. DEAKIN.—Yes.

Mr. CROUCH (Corio) [4.59].—I would point out that in New Zealand a bounty is paid upon the export of fish. Similar State assistance may be extended to other commodities which are exported from that country. It will thus be seen that—unless consideration has already been given to the point—our fishermen, in addition to having to compete against free imports, will have to face the competition of bounty-fed exports from New Zealand.

Mr. DEAKIN.—The point raised by the honorable and learned member was con-

sidered, and the rate prescribed in the schedule relates only to fresh fish. The importation of fresh fish from New Zealand, apart from oysters, is practically nil.

Mr. PAGE (Maranoa) [5.0].—I think that we have been placed in a very awkward position just on the eve of a general election. Honorable members may regard it as a joke, but the serious discussion of the formidable list of new duties proposed under this reciprocal agreement would mean that no general election could take place this year. The proposals of the Government do not represent protection at all, but total prohibition.

Mr. DEAKIN.—When the honorable member sees them in print he will find that they are not embarrassing.

Mr. PAGE.—The statement made by the Minister of Trade and Customs was something in the nature of a Chinese puzzle.

Mr. DEAKIN.—The honorable gentleman has only stated the concessions we propose to make. The concessions which New Zealand proposes to make will be dealt with in the Legislature of that colony. If the honorable member turns to the agreement, however, he will see that both sides are stated.

Mr. PAGE.—If the half which we have not heard is as clouded as that which has been put before us, heaven knows what will be the result. I can see that there is a lot of trouble ahead—that these proposals will cause party lines to be once more sharply defined. They mean not protection, but prohibition.

Mr. DEAKIN.—The lowering of duties, in some cases,

Mr. PAGE.—In a nutshell, they mean a re-opening of the Tariff. It is all very well for honorable members who can travel all over their constituencies in twenty-four hours to say that they are prepared now to deal with these matters. They can remain here until within a few days of the general election, and continue, as some of them are now doing, to address public meetings. But in bringing these matters forward at this stage, are the Government giving a fair show to those who represent large and far distant electorates?

Mr. DEAKIN.—They will not be affected.

Mr. PAGE.—I accept the Prime Minister's assurance, but I feel that I am placed in a very awkward position.

Mr. JOSEPH COOK (Parramatta) [5.2].—At the moment, we seem to be in a state of inextricable confusion. I have no doubt that when we see the proposals, and the Minister's statement in print, the position will be far clearer than it is at present. I would strongly suggest to the Minister that a single document should be prepared—

Mr. DEAKIN.—Honorable members will receive two documents—the agreement, which shows the concessions made on both sides, and also a copy of the resolution which shows our side of the bargain. When honorable members compare the two they will easily unravel the proposals.

Mr. JOSEPH COOK.—I particularly desire that the reciprocity proposals on each side should be embodied in the one document.

Mr. DEAKIN.—They are embodied in the agreement, but not in the motion.

Mr. FISHER (Wide Bay) [5.4].—I wish to know when the Government propose to proceed with the debate on these proposals?

Mr. DEAKIN.—As soon as honorable members have had time to familiarize themselves with the details.

Mr. FISHER.—I made this inquiry for the reason that as mentioned by the honorable member for Maranoa, a number of honorable members representing distant electorates are already arranging to leave Melbourne.

Mr. DEAKIN.—We are ready to proceed whenever the House is.

Mr. FISHER.—I hope that the Prime Minister will give due notice of when he intends to proceed with these proposals so that honorable members may not leave Melbourne under a misapprehension.

Mr. JOSEPH COOK.—It is practically a new Tariff.

Mr. DEAKIN.—The honorable member will find that the matters dealt with are chiefly of a minor character.

Mr. FULLER (Illawarra) [5.6].—I have always understood that the policy of the Government is "Australia for the Australians," and that they have invariably advocated the adoption of the policy of pro-

tection as being advantageous to farmers and others. I find, however, that under the proposed agreement with New Zealand a considerable reduction is to be made in the grain duties.

Sir WILLIAM LYNE.—There are no imports of those products from New Zealand.

Mr. FULLER.—New Zealand is the only competitor which the farmers of New South Wales have to face. I should like the Minister to explain whether under this reciprocity arrangement the farmers of the Commonwealth are to receive a *quid pro quo*.

Sir WILLIAM LYNE.—The honorable member will see what we propose when we reach the items relating to rural industries.

Sir JOHN QUICK (Bendigo) [5.8].—I should like to know when the adjourned debate will be proceeded with. If we have an intimation on the subject honorable members will be able to come prepared to deal with the question.

Mr. DEAKIN.—We shall be ready to proceed with the debate on Tuesday. Let us say, however, that it will be taken on Wednesday, but that, if honorable members are not then prepared to proceed, the debate will be resumed on Thursday.

Mr. LONSDALE (New England) [5.9].—I am not going to find fault with the proposed reductions of duties, since I am a free-trader, and believe in promoting free-trade wherever possible. There are many farmers in my electorate; but I am still prepared to support these reductions. It is said that there are no imports of grain from New Zealand. As a matter of fact, at the only time when, under the Tariff, our farmers have an opportunity of making a little money—in a time of bad seasons—we have imports of grain from New Zealand.

Mr. KENNEDY.—What are the products with which New Zealand floods our market?

Mr. LONSDALE.—Maize, oats, flour, and other things are imported at such times from New Zealand. I did not say, however, that New Zealand was flooding our markets with this produce. At the last general election I had to face farmers who had made a lot of money as the result of the protective duties against New Zealand grain imports. When there is a recurrence of bad seasons, our farmers will not have an opportunity to obtain former

prices, since under these proposals we shall probably have from New Zealand large imports of maize and other products. I am not going to sacrifice my principles, however, and I shall vote for these reductions. I believe that we are here to legislate for the whole of the people; but last night we were asked to legislate in the interests of certain sections as against those of the community generally. The Prime Minister is always very generous when he has nothing to give away. He tells us first of all that the Government are proposing generous reductions of duties in favour of New Zealand, and then in an aside he says in effect, "There is nothing in these proposals, since we do not import any of these products from New Zealand."

Mr. FISHER (Wide Bay) [5.12].—I do not know whether honorable members have agreed to entirely adopt these proposals.

Mr. JOSEPH COOK.—Certainly not.

Mr. FISHER.—I am advised that if we agree to the motion now before the Chair, we shall practically adopt the whole scheme.

Mr. DEAKIN.—As far as the schedule goes we shall do so.

Mr. JOSEPH COOK.—But it is not proposed to adopt the motion to-day.

Mr. DEAKIN.—No; although I should not oppose its adoption to-day.

Mr. FISHER.—I only wish to put the position plainly before honorable members. I am advised that if the motion were carried we should not be able to make one alteration in the agreement.

Mr. DEAKIN.—No; not till we came to the Bill. The Opposition are aware of that fact.

Mr. JOSEPH COOK.—I am expecting the Prime Minister to keep the agreement which he made when, on rising, he said he would only lay these proposals on the table.

Mr. DEAKIN.—Exactly; but I cannot prevent discussion.

The CHAIRMAN.—As there seems to be a misapprehension as to the course to be pursued, I would explain that if the Minister does not intend to proceed further to-day with the motion, he should move that progress be reported.

Mr. DEAKIN.—That course will be adopted as soon as honorable members have concluded their inquiries.

Mr. FISHER.—In view of the good feeling which prevails, I should not have been surprised if the motion had been carried this afternoon.

Mr. JOSEPH COOK (Parramatta) [5.14].—I understood the Prime Minister to say that the agreement and these resolutions would be laid on the table as one document—

Mr. DEAKIN.—We are not asking that any further step be taken to-day.

Mr. PAGE.—If the motion had been passed this afternoon the Prime Minister would not have objected.

Mr. DEAKIN.—I should not.

Mr. PAGE.—The Government nearly caught the deputy-leader of the Opposition napping.

Mr. JOSEPH COOK.—Does the honorable member think that I am caught napping when I rely on the definite statement made by Ministers that the debate would not be proceeded with to-day. My honorable friend must be napping when he gives expression to such an idea.

Progress reported.

PAPER.

The CLERK laid upon the table the following paper:—

Return to an order of the House, dated 22nd August, relating to the Pacific Islanders engaged in the sugar industry.

TARIFF PREFERENCES: COMMONWEALTH AND UNITED KINGDOM.

In Committee of Ways and Means:

Motion (by Sir WILLIAM LYNE) proposed—

That in lieu of the duties of Customs imposed by the Customs Tariff 1902 on the items shown in the attached schedule, duties of Customs shall from the 30th day of August, 1906, at 4.30 p.m., Victorian time, be imposed as follows:—

THE SCHEDULE.

Import Duties.

"N.E.I." means "not elsewhere included."

All imitations to be dutiable at the rate chargeable on the goods they imitate, unless such rate is less than the rate which would otherwise be chargeable on the imitations.

No. of Item in Customs Tariff 1902.	Dutiable Goods.	Rate of duty prior to this resolution.	Duties.	
			On dutiable goods the produce or manufacture of the United Kingdom, and imported direct in British ships.	On dutiable goods not the produce or manufacture of the United Kingdom, or not imported direct in British ships.
Arms and Ammunition—				
Item 136 (A) ...	Ammunition and Cartridges, n.e.i.	Free	Free	<i>ad val.</i> 10 per cent.
„ 136 (E) ...	Dynamite	Free	Free	<i>ad val.</i> 10 per cent.
„ 136 (C) ...	Fuse	Free	Free	<i>ad val.</i> 10 per cent.
„ 73 (A) ...	Revolvers, Pistols, Air Guns and Air Pistols, Bayonets, Swords, Fencing Foils and Masks, Gun, Revolver, and Pistol Covers, Cases, and Fittings, Loading Tools, and Cartridge Belts <i>ad val.</i>	15 per cent.	15 per cent.	22½ per cent.
Item 73 (B) ...	Rifles, n.e.i., and Shot Guns <i>ad val.</i>	10 per cent.	10 per cent.	15 per cent.
Div. VI. (a) ...	Arms, viz. :—Rifles, Military and Match, including Cadet Rifles...	Free	Free	<i>ad val.</i> 10 per cent.
Item 111 (A) ...	Wicker, Bamboo, Cane, or Wood— All articles n.e.i., made of, whether partly or wholly finished, including Bellows, Casks, Shooks, Sashes, and Frames, Timber bent, n.e.i., Wood cut into shape and dressed or partly dressed for making boxes or doors, Walking Sticks, and Canes <i>ad val.</i>	20 per cent.	20 per cent.	30 per cent.
	Wicker, Bamboo, Cane, or Wood, viz. :—			
Div. X (o) ...	Buckets, Wooden	Free	Free	<i>ad val.</i> 10 per cent.
„ X (r) ...	Last blocks, rough turned...			
„ X (s) ...	Lasts and Trees, wooden ...			
„ X (t) ...	Wooden Type, Wooden Type Cases, and Type Cabinets and Cases			
Item 124 ...	Bicycles, Tricycles, and similar vehicles; Vehicles, n.e.i., and parts thereof, n.e.i.; Cycle parts (except tyres) plated, enamelled, polished, or otherwise completed, or brazed, or permanently joined, including Cycle accessories and Motor vehicles <i>ad val.</i>	20 per cent.	20 per cent.	30 per cent.
	Boots and Shoes, except partly or wholly of lasting or stuff, English sizes to be the standard, viz. :—			

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THE SCHEDULE.—Continued.

Import Duties.

No. of Item in Customs Tariff 1902.	Dutiable Goods.	Rate of duty prior to this resolution.	Duties.	
			On dutiable goods the produce or manufacture of the United Kingdom and imported direct in British ships.	On dutiable goods not the produce or manufacture of the United Kingdom or not imported direct in British ships.
Item 116 (A) ...	Men's sizes above 5...	30 per cent.	30 per cent.	40 per cent.
„ 116 (B) ...	Youths' sizes above 1			
„ 116 (C) ...	Boys' sizes 7 to 1 ...			
„ 116 (D) ...	Women's sizes above 2			
„ 116 (E) ...	Girls' sizes above 10...			
„ 116 (F) ...	Girls' sizes 7 to 10 ...			
„ 116 (G) ...	Slippers, Leather ...			
„ 117 (A) ...	Boots and Shoes, n.e.i. (including Indiarubber), Goloshes, Slippers, n.e.i., Boot and Shoe Uppers and Tops, Clogs and Patterns, Wading Boots, Slipper Forms in the piece or otherwise, Cork, Leather, or other Socks or Soles... <i>ad val.</i>	25 per cent.	25 per cent.	35 per cent.
„ 117 (B) ...	Rubber Sand Shoes ... <i>ad val.</i>	20 per cent.	20 per cent.	30 per cent.
„ 115 ...	Watches, Clocks, and Chronometers, n.e.i., and parts thereof, Time Registers and Detectors, Opera, Field, and Marine Glasses, Pedometers, Pocket Counters, Kinematographs, Kinetoscopes, Phonographs, Graphophones, Gramophones, Cameras, and Magic Lanterns, including accessories ... <i>ad val.</i>	20 per cent.	20 per cent.	30 per cent.
Div. XI. (f) ...	Ships' Compasses, Pocket Compasses, Surveyors' Compasses, except when mounted in gold or silver ...	Free	Free	<i>ad val.</i> 10 per cent.
„ (g) ...	Ships' Chronometers, Patent Logs, and Sounding Machines ...			
„ (i) ...	Microscopes, Telescopes, Spectacles, except gold, silver, or gold-plated or silver-plated; Barometers and Thermometers, except advertising, and Watch and Clock Springs ...			
Item 109 ...	Furniture, n.e.i. (except metal), in parts or finished, including Billiard and Bagatelle Tables and Boards and Accessories, Photograph Frames and Stands for Pictures, Picture Frames (on pictures or otherwise), and Picture Mouldings, Cabinets, Brackets, Trays, Verandah Blinds, Screens, Hair Curled, Show Figures for Draping or other purposes, Writing and Stationery Cases, Writing Desks, and Mirrors, framed or set ... <i>ad val.</i>	20 per cent.	20 per cent.	30 per cent.
Item 78 (B) ...	Engines, Gas and Oil, and High-speed Engines and Turbines, water and steam ... <i>ad val.</i>	12½ per cent	12½ per cent.	22½ per cent.

THE SCHEDULE.—*Continued.**Import Duties.*

No. of Item in Customs Tariff 1902.	Dutiable Good	Rate of duty prior to this resolution.	Duties.	
			On dutiable goods the produce or manufacture of the United Kingdom and imported direct in British ships.	On dutiable goods not the produce or manufacture of the United Kingdom or not imported direct in British ships.
Item 85 (A) ...	Paints and Colours—Ground, in liquid per cwt.	2s.	2s.	2s. 6d.
„ 85 (B) ...	Prepared for use „	4s.	4s.	5s.
Div. VII. (b) ...	Ceramic colours ...	Free	Free	<i>ad val.</i> 10 per cent.
„ (c) ...	Colours, Artists' ...			
„ (d) ...	Dyes ...			
„ (e) ...	Lamp, Ivory, Bone, and Vegetable Blacks ...			
„ (f) ...	London Purple and Paris Green...			
„ (g) ...	Prepared Glazes for Pottery ...			
„ (h) ...	Sulphate of Copper ...	15 per cent.	15 per cent.	25 per cent.
„ (i) ...	Ultramarine Blue ...			
Item 122 (F) ...	Paper, Strawboard per cwt.	1s.	1s.	1s. 6d.
„ 122 (G) ...	„ Bags „	5s.	5s.	6s.
„ 122 (H) ...	Paperhangings <i>ad val.</i>	15 per cent.	15 per cent.	25 per cent.
„ 44 (A) ...	Pickles, Sauces, Chutneys, Olives, and Capers—Quarter pints and smaller sizes per doz.	6d.	6d.	7½d.
„ 44 (B) ...	Half-pints and over quarter-pints ... per doz.	1s.	1s.	1s. 3d.
„ 44 (C) ...	Pints and over half-pints per doz.	2s.	2s.	2s. 6d.
„ 44 (D) ...	Quarts and over pints per doz.	4s.	4s.	5s.
„ 44 (E) ...	Exceeding a quart per gall.	1s. 4d.	1s. 4d.	1s. 8d.
„ 78 (C) ...	Cutlery, n.e.i. (including Manicure Sets and Knife Sharpeners); also Instruments, Drawing, Mathematical and Surveying ... <i>ad val.</i>	15 per cent.	15 per cent.	25 per cent.
„ 78 (M) ...	Platedware and Plated Cutlery <i>ad val.</i>	20 per cent.	20 per cent.	30 per cent.
„ 53 (A) ...	Starch, including Starch in powdered form ... per lb.	2d.	2d.	2½d.

Mr. JOSEPH COOK (Parramatta) [5.28].—My hearty congratulations are extended to the Minister of Trade and Customs, to the Prime Minister, and to the rest of the Government, for being able to absolutely put from their minds the policy declared by the Prime Minister at Ballarat prior to the last election, when the first article of their programme was fiscal peace.

Mr. DEAKIN.—And preferential trade.

Mr. JOSEPH COOK.—Preferential trade which would be consistent with fiscal peace.

Mr. DEAKIN.—No.

Mr. JOSEPH COOK.—Then the honorable and learned gentleman attempted to

play a trick on Australia by telling the people that there was to be fiscal peace during the lifetime of this Parliament, while he had it in his mind to raise the fiscal question, and to increase duties at every opportunity. The proposal now before us is one for building still higher the Tariff wall round Australia.

Mr. MAUGER.—Hear, hear.

Mr. JOSEPH COOK.—This is not following the policy of fiscal peace. Such a proposal is, in its nature, warlike.

Sir WILLIAM LYNE.—I do not desire fiscal peace, and never did.

Mr. JOSEPH COOK.—No doubt. My complaint is that the honorable member

tried to play a trick on the people of Australia by mouthing fiscal peace at the last election.

Mr. FULLER.—He said at Cootamundra that he was in favour of fiscal peace.

Mr. JOSEPH COOK.—We heard from the honorable member for Ballarat that there was to be fiscal peace until we could get our bearings, and the trading community had accommodated itself to the present Tariff. But ever since, efforts have been made to elaborate further proposals for keeping out the goods of both the old country and other countries.

Mr. MAUGER.—Not of the old country.

Mr. JOSEPH COOK.—The people of Great Britain will not thank us for this offer of so-called preference. No response will be made by them to the proposals of the Government. We shall see in the sequel who is the better prophet, the Prime Minister or myself. I congratulate the Government on the easy, though scandalous, way in which they are able to treat their solemn election pledges, tearing up the treaties which they made with the people on the eve of the last election.

Mr. DEAKIN (Ballarat—Minister of External Affairs) [5.31].—So far from the honorable member's statement that we have departed in any way from the programme laid before the people at Ballarat in 1903 being correct, I could quote statement after statement from the speeches of the absent leader of the Opposition, made in this Chamber and on the platform, to the effect that fiscal peace was our proposal, except in regard to preferential trade, about which he recognised that we had an entirely free hand to make any propositions we pleased.

Mr. JOSEPH COOK.—Did not the honorable and learned member say, in connexion with the preferential trade proposals, that they were to await proposals from the mother country?

Mr. DEAKIN.—The honorable member can find that statement among my speeches in this sense: Preferential trade in the full meaning of the term implies reciprocal concessions on each side, concessions from, as well as to, the mother country. At Ballarat in 1903, and continually since, I have consistently said that I am in favour of a modicum of preferential trade by way of concession on our part, as an earnest of our willingness to enter into a greater treaty. Since 1903, I have never

parted in the least degree with the right to make any proposals whatever in regard to preferential trade.

Progress reported.

SPIRITS BILL.

Sir WILLIAM LYNE (Hume—Minister of Trade and Customs) [5.32].—I move—

That the Bill be now recommitted to a Committee of the whole House for the reconsideration of clause 3, paragraph (b), page 2, and paragraph (b), page 3, clause 11 and clause 15, paragraph (b).

I have reconsidered the amendments that were made in the Bill when it was last before us, and, after consultation with the Comptroller-General, I have framed the following proviso, which I propose to add to clause 11:—

Provided that this section shall not come into operation until the 1st day of January, 1908.

This will achieve the object sought to be attained by the amendments which were inserted in the Bill in line 40, page 2, and in line 20, page 3, and which I now propose to strike out. The date mentioned in the proposed proviso was agreed to upon the previous occasion.

Sir JOHN QUICK.—I have no objection to that.

Sir WILLIAM LYNE.—Another matter was brought under my notice by the honorable member for Lang. Clause 15 provides that no person shall sell or have in his possession illicit methylated spirits or any articles containing methylated spirits. The honorable member for Lang desired to insert the word "knowingly," so that it would be necessary to prove that a person knowingly had spirits in his possession. I was quite willing to meet the desire of the honorable member, but I recognised the difficulty of proving that a person had acted knowingly. I have prepared the following provision, which I propose to add to the clause:—

It shall be a defence to a prosecution under this section if the defendant proves that he did not knowingly sell or have in his possession the goods forming the subject of the prosecution.

Mr. WATSON (Bland) [5.37].—Unfortunately, I was not able to be present last Tuesday, and consequently I missed the opportunity to bring under the notice of the Minister of Trade and Customs the fact that in the Bill conditions are imposed in respect to locally-distilled spirits which are not enforced in regard to spirits

imported from abroad. I think that that is wholly unintentional. I mentioned the matter to one Minister last week; but, on glancing through the Bill, I find that no adequate provision is made in the direction I desire. In regard to locally-distilled spirits we propose to insist that they shall be described as brandy only if they are made wholly of grape spirit. I think that that is a very proper condition to impose. With respect to imported spirits, however, no guarantee of a similar character is to be insisted upon. We shall know, with regard to locally-distilled spirits, exactly what they are composed of, because they will be made under the supervision of Excise officers, and there will be no difficulty in proving, to the fullest degree, their origin. In regard to imported spirits, the only provision in the Bill of any real value is contained in clause 10, which insists that, after a certain date, no spirits shall be imported unless they have been matured in wood for a certain period. I think that we should insist upon the proof of origin in regard to imported spirits. Such proof could easily be obtained. I am informed that the British Board of Inland Revenue secures the placing upon every cask of locally-made spirits marks which indicate the distillery in which they are made, and the origin of the contents. Therefore, it would be very easy to secure a certificate from the authorities in Great Britain in respect to malt whisky intended for export to the Commonwealth. The particulars are ready to the hands of the inland revenue officials, and it would merely be a matter of obtaining from them a certificate as to the origin of the goods. Then as to brandy, most of the good brandy that is imported into the Commonwealth comes from France, and I understand that a certificate is issued by the French Government to exporters of brandy, giving particulars of the distillation, and thereby guaranteeing the origin of the spirits. Therefore, there should be no difficulty in securing certificates such as I have indicated in regard to French brandy. Paragraph *b* of clause 9 does not meet the case. It merely provides that no person shall describe as brandy any spirit not distilled wholly from grape wine. That will not adequately protect us, because I am informed that it is almost impossible to accurately distinguish wine brandy from synthetically adulterated spirits—that is, spirits which may not have been distilled from the grape, but may

have been synthetically treated with a view to build up a spirit resembling brandy. That being so, it would be beyond the power of the Customs authorities to prove a case against persons fraudulently describing as brandy some spirit which had been produced from materials other than grape wine. The only way in which we can overcome the difficulty is by providing that after a certain date all imported spirits shall be accompanied by a certificate as to their origin. I would prefer to leave it to the Customs authorities to deal with the matter by regulation; but we should certainly make some provision for insuring that imported spirits are up to the mark. We should at least insist upon the same standard in respect to imported spirits as we require to be maintained by local distillers.

Mr. CROUCH.—Would not that practically prohibit importations?

Mr. WATSON.—Not at all. All British whiskies are produced under the control and supervision of the officers of the Board of Inland Revenue. They have all the particulars in respect of every gallon of whisky which is produced in the United Kingdom. All that they are required to do is to embody them in a certificate at the request of the exporter. There is no trouble experienced upon that score. In France it has been possible, for some time past, to obtain a certificate in respect of brandies under like conditions. In view of these facts, I do not think there need be any difficulty experienced in carrying out what I have suggested. It is a remarkable fact that in London, for years past, there has been sold as brandy spirit which has evidently not been produced from grapes. It has been sold for as low a price as 7d. per gallon, after all charges have been paid. It is manifest that it cannot be grape spirit, and yet in the auctioneers' circulars it is guaranteed to contain a certain percentage of brandy ethers. Of course, these have been added after the spirit has been distilled, and it is known in the trade that these so-called brandies almost defy detection, so far as analysis is concerned. It seems to me that we shall only be doing justice to our local distillers if we insist upon a certificate being produced in connexion with imported spirits. I would suggest to the Minister that, in order to permit of this being done, he should agree to the recommitment of clause 10. That provision deals with the condi-

it should prescribe—in addition to the maturity condition—that a certificate shall be produced as to their origin. If the clause were recommitted, it would be possible to insert an amendment which would allow the Minister to prescribe by regulation the conditions under which imported spirits shall be freed from Customs control.

Sir JOHN QUICK (Bendigo) [5.49].—I think that the suggestion of the honorable member for Bland is a very valuable one, and one which is worthy of every consideration by the Minister. Australian distillers certainly did contend, when they were giving evidence before the Tariff Commission, that they should not be subjected to any disability to which foreign exporters were not liable. Of course, there is a difficulty in identifying vast quantities of spirits either in bottle or bulk, although the evidence taken by the Commission proves that those difficulties are not insuperable. Under the Distillation Act—and I presume that the same law is operative both in Great Britain and France—a record is kept of the history of every cask of spirits which goes into bond. Every cask bears a bond number which corresponds with an entry in a book in which is recorded full particulars of the origin of such spirits, of the date of their distillation, and of the materials which have been employed in their production. If importers of spirits were placed upon the same footing as our local distillers, it would be in the interests of the consumer. The latter are obliged to produce their spirits under the supervision of a Customs officer, whereas the imported article is necessarily manufactured under conditions which are beyond Commonwealth supervision. At the same time, I think that no difficulty need be experienced in giving effect to the suggestion of the honorable member for Bland, which I heartily support.

Mr. DEAKIN (Ballarat—Minister of External Affairs) [5.52].—The responsibility in this connexion is mine, as, in the absence of the Minister of Trade and Customs, the honorable member for Bland placed in my hand the proof, as it appeared to me, of all the statements which he has made to-day. Amongst other things he handed to me the copy of a French trade journal, which is published in the interests of vigneron, and which describes

—that is, certificates indicating the age and quality of the brandies and other spirits as well as the materials which have been used in their production—which are exported from France. The honorable and learned member for Bendigo has pointed out that it is comparatively easy to trace the origin of British spirit, and it appears—according to the statements of the journal in question, which is an authoritative publication—that it would be equally easy to trace the origin of French spirit. The honorable member for Bland also placed in my hand a catalogue issued by a London firm, which discloses a marvellous discrepancy between the prices which are paid for various brandies. Obviously, some of these articles are not brandies at all. They realized only 9d. or 1s. per gallon, whereas other brandies of high quality and age have commanded as much as 11s. per gallon, and in one instance 11s. 3d. per gallon. This discrepancy evidences a marvellous difference between the quality of these spirits. I placed the documents to which I have alluded in the hands of the Customs officers, but owing to the great pressure under which they have worked during the past few days, I have not been able to prepare, with their assistance, the requisite amendment. My colleague, the Minister of Trade and Customs, has asked me to write to the British Government requesting them to assist us—by means of their certificates—to trace the origin of spirits of British manufacture, and to identify them. It will be requisite for us to make provision in this Bill for dealing with spirits of French origin, and with spirits imported from other countries in which certificates are issued. I would prefer not to insert an amendment at this stage, but I undertake that provision of the character suggested will be made in this clause, or else that a new clause will be introduced to effect that object, when the Bill is before the Senate. The measure must come before this House for consideration again, so that I think my suggestion will meet with the approval of the honorable member for Bland. The interval will enable us to draft a provision which will cover the whole of the ground traversed by him.

Question resolved in the affirmative.

In Committee (Recommittal):

Clause 3 (Interpretation).

"Australian blended wine brandy" means brandy which complies with the following requisites :—

- (b) Unless entered for home consumption before the 1st day of March, 1908, it must have been matured by storage in wood for a period of not less than two years.

"Australian blended whisky" means whisky which complies with the following requisites :—

- (b) Unless entered for home consumption before the 1st day of January, 1908, it must have been matured by storage in wood for at least two years.

Amendment (by Sir WILLIAM LYNE) agreed to—

That the words "Unless 1908," paragraphs b, be left out.

Clause, as amended, agreed to.

Clause 11—

Spirits distilled in Australia shall not be delivered from the control of the Customs for human consumption unless they have been matured by storage in wood for a period of not less than two years.

Provided that this section shall not apply to spirits which were subject to the control of the Customs on the 17th day of August, One thousand nine hundred and six, and which are entered for home consumption before the 1st day of March, One thousand nine hundred and seven.

Amendment (by Sir WILLIAM LYNE) proposed—

That all the words after the word "not," line 6, be left out, with a view to insert in lieu thereof the words "come into operation till the 1st day of January, 1908."

Sir JOHN QUICK (Bendigo) [5.59].—I regard the amendment as a fair one, although it will postpone the enforcement of the provisions relating to the maturity of spirit. It appears that there is a large quantity of brandy in South Australia, of whisky in Victoria, and of rum in Queensland, which is not able to comply with the maturity condition, and if the law were brought into operation immediately, this spirit would either be rendered valueless, or would have to be exported at a sacrifice. Consequently, it seems to be only fair that we should postpone the enforcement of the maturity condition for the period mentioned by the Minister.

Amendment agreed to.

Clause, as amended, agreed to.

Clause 15—

A person shall not—

- (a) sell or have in his possession any illicit methylated spirits; or

- (b) after the first day of January, 1907, sell or have in his possession any article of food or drink, or any scent, essence, tincture, or medicine, containing any methylated spirits.

Penalty : One hundred pounds.

Amendment (by Sir WILLIAM LYNE) proposed—

That after the word "spirits," line 8, the following words be inserted :—"It shall be a defence to a prosecution under this section if the defendant proves that he did not knowingly sell or have in his possession the goods forming the subject of the prosecution."

Mr. HUTCHISON (Hindmarsh) [6.2].—Various persons have been prosecuted for selling spirits below the required standard, but they have never been allowed to plead that they were not aware that the spirits were inferior.

Sir WILLIAM LYNE.—This clause relates only to methylated spirits.

Mr. HUTCHISON.—Some time ago an honest publican at Mount Gambier was prosecuted for having in his possession spirits below the required standard, and, although he was able to demonstrate that they were sold as obtained from the warehouse, and that he did not know they were not of the standard quality, he was fined. I fail to see why the amendment should be inserted. It would be a very easy matter for a defendant to say that he was not aware that he was committing an offence. It is the duty of the retailer, when making purchases, to satisfy himself that that which he buys is what it purports to be. If the clause be amended as proposed, we shall give very little protection to the consumer. It seems to me that the amendment is a violation of a well-known principle of law, and I hope that it will be rejected.

Mr. FOWLER (Perth) [6.4].—The honorable member for Hindmarsh has voiced the objection I had intended to urge against this amendment. It appears to be a very dangerous modification of a principle which we wish to insist upon in connexion with legislation of this kind. There is no doubt that under cover of such a proviso a retailer would be able to sell with impunity the goods mentioned in the clause.

Mr. HUTCHISON.—And when detected he might not be subjected to a penalty.

Mr. FOWLER.—That is so. Under such an amendment there is not the least doubt that a retailer would take great care not to know the contents of goods which might be considered objectionable. The

the direction of compelling the retailer to safeguard himself when he purchases goods. It is only in this way that the consumer can be adequately protected. I think that the amendment is totally inconsistent with the Bill, and I shall be prepared to vote against it.

Sir JOHN QUICK (Bendigo) [6.7].—Probably out of the goodness of his heart the Minister of Trade and Customs has yielded to the suggestion made by the honorable member for Lang, when the Bill was last under consideration, that an amendment of this kind should be made. I must admit that it is usual in British, as well as in Australian, legislation to make the bare fact of possession of goods which have unlawfully passed out of the control of the Customs an offence. That has hitherto been the practice. It is unnecessary to prove in prosecutions of this kind *mens rea*—a guilty mind. The very fact of possession is regarded as an offence.

Mr. HUTCHISON.—Paragraph *b* covers articles of food.

Sir JOHN QUICK.—One would think that anything containing methylated spirits would be poisonous.

Mr. FOWLER.—That is the important point. The consumer should be protected.

Sir JOHN QUICK.—But under the clause as it stands even an intending consumer would not be allowed to have these goods in his possession. My suggestion is that we should so amend the clause that it would read, "No person shall, without lawful excuse, sell, or have in his possession," the goods named. That might meet the view expressed by the honorable member for Lang.

Sir WILLIAM LYNE.—I thought that it would be better to throw upon the defendant the responsibility of proving his innocence. The honorable member for Lang's proposal was that the Department should prove that the defendant had knowingly sold, or had in his possession, the goods named.

Sir JOHN QUICK.—That is very often a difficult matter to prove.

Sir WILLIAM LYNE.—Yes, but the amendment I propose would throw upon the person charged the onus of proving that he was not knowingly in possession of prohibited goods.

Sir JOHN QUICK.—If the amendment is framed in that way, it is hardly worth while pressing the objection.

told privately by a business man in the town that he was selling to kanakas what purported to be a temperance drink, although it contained a higher percentage of alcohol than was found in beer. When he was prosecuted he pleaded that he was not knowingly selling a beverage containing such a percentage of alcohol, and the result was that the prosecution failed. I do not think that such an amendment as this should be inserted.

Sir WILLIAM LYNE (Hume—Minister of Trade and Customs) [6.13].—I promised the honorable member for Lang that I would reconsider this clause. The honorable member proposed to move that the word "knowingly" be inserted in the first line, but I felt that it would be very difficult for the Department to prove guilty knowledge, and my desire was that an amendment should be framed throwing upon the defendant the onus of proof. The clause is a fairly drastic one. It would be a very harsh proceeding if a lady, who innocently purchased a tincture or a scent essence containing illicit methylated spirits, were liable to be prosecuted, and fined, unless she could prove that she was not aware of its contents.

Mr. FOWLER.—It would be very easy for a defendant to prove that he had no guilty knowledge. In the majority of these cases a man buys the goods not for what they contain, but for what they can be sold for.

Sir WILLIAM LYNE.—I am as anxious as is any honorable member that the clause should be a stringent one, but I do not wish innocent persons to be prosecuted without having a reasonable chance of proving their innocence. Supposing a lady bought scent essence containing methylated spirit, she might be prosecuted for it.

Mr. HUTCHISON.—The honorable gentleman knows that in such a case action would not be taken by the authorities. He cannot point to a prosecution in such circumstances.

Sir WILLIAM LYNE.—It would not be pleasant for a lady to know that, in buying a bottle of scent essence, she ran the risk of being prosecuted for having in her possession an article containing methylated spirits. If it is thought that the amendment suggested by the honorable and learned member for Bendigo would meet the position, I shall accept it.

the amendment proposed by the Minister will be sufficient.

Sir WILLIAM LYNE.—I think that my amendment will meet the case. I desire to shield innocent persons from injustice without weakening the law.

Mr. FISHER (Wide Bay) [6.16]. — It is apparent that the amendment has been moved out of the largeness of the Minister's heart, and that he would be the last to seek to do injury to any lady who might innocently have purchased scent or anything else containing illicit methylated spirit. But although my experience of life is neither so large nor varied as his, I have not known of a vindictive prosecution such as he fears. In my opinion, if the clause is weakened, would-be offenders would be able to transgress the law with the greatest ease. I presume that the clause as it stands was drafted in accordance with the best expert advice, and the mere suggestion that injustice may be done in the manner proposed is hardly sufficient justification for an amendment which may have a far-reaching effect. Responsibility in connexion with the matter must rest with the Minister, and we are assured by the honorable and learned member for Bendigo that, if there must be an amendment, that proposed is very well worded.

Mr. JOSEPH COOK (Parramatta) [6.17].—I suggest that the amendment should apply only to paragraph *b*, leaving paragraph *a* standing as it is. That, I think, would meet the case. I agree with the Minister that we should make a way of escape for innocent persons who may unwittingly come into possession of articles containing illicit methylated spirit.

Mr. FISHER.—Such persons would not be prosecuted.

Mr. JOSEPH COOK.—A prosecution might follow the action of an officious person in authority.

Sir WILLIAM LYNE.—Or might be due to some vindictive person.

Mr. JOSEPH COOK.—I know a man who was fined the other day because he was selling cotton-seed oil for olive oil. He is as honest as is any honorable member, and thought that he was selling olive oil.

Mr. FOWLER.—If he is in business he must have had a suspicion in regard to what he was selling.

serious matter to try to shield persons engaged in business from the results of their ignorance, and it is especially necessary to protect the public health in regard to the sale of oils and other commodities which may be used internally. I think, however, that persons innocently becoming possessed of scents, or any of the other preparations mentioned in paragraph *b*, should be protected, and that an amendment confined to that paragraph would meet the case.

Mr. HUME COOK (Bourke) [6.20].—I desire some information about the clause. It has been pointed out to me by one or two manufacturers that, under the Victorian law, they used to obtain spirit for the manufacture of tinctures, essences, scents, and other similar articles free of duty, and that until recently the same privilege was enjoyed under the Commonwealth law. It would appear, however, that it is now to be taken from them, and they point out that if that is done their businesses will be ruined. Last night we were dealing with the Bounties Bill, which offers inducements to persons to engage in the production and preparation of essential floral oils for the making of scents and perfumes; but it would be absurd to grant a bounty for that enterprise if we took from those engaged in this business the right to use spirit free of duty. I understand that the privilege to which I refer has been somewhat abused; but I should like to know from the Minister if he has anything to propose which will protect my informants from loss, or whether the Tariff Commission, which has had the whole scheme of commerce and business within its purview, will bring forward some new proposition to meet the case.

Mr. FOWLER.—Under a Customs regulation, those to whom the honorable member refers were permitted to methylate the spirit they used in their own way.

Mr. HUTCHISON.—There is nothing in the Bill to interfere with them.

Mr. HUME COOK.—Their fears may be groundless; but I ask for an assurance from either the Minister or the Chairman of the Tariff Commission that their business will not be injured.

Mr. WILSON (Corangamite) [6.25].—I do not think much harm would be done if paragraph *b* were omitted. Chemists and druggists, and others who deal in tinc-

methylated spirit. Methylated spirit is greatly used in liniments, and also in veterinary medicines for internal use. I possess a bottle of tincture of opium containing methylated spirits.

Mr. FISHER.—The honorable member does not suggest that he would be liable to prosecution.

Mr. WILSON.—Under paragraph *b*, the possession of tinctures containing methylated spirits is an offence. A chemist or veterinary surgeon would not have these preparations in his possession except with a view to disposing of them. Methylated spirits are also used in the manufacture of perfumes and essences; but, of course, the methylation for that purpose could be done under special regulation. It seems to me that paragraph *a* would do all that is desired, and that paragraph *b*, if enforced in every case, would inflict a great injustice upon persons honestly in possession of tinctures, essences, and other preparations containing methylated spirit.

Sir JOHN QUICK (Bendigo) [6.27].—In their report on industrial alcohol, the Tariff Commission unanimously recommends that methylated spirit shall not be used for or in connexion with any food, drink, scent, essence, tincture, or medicine, and spirit methylated in conformity with its suggestions could not be so used, because, in the process of methylation, the spirit is mixed with a certain percentage of wood-naphtha and a certain percentage of pyridine, most obnoxious compounds, which render it so nauseous that it would destroy any food or scent with which it was mixed.

Mr. WILSON.—Surely methylated spirit can be used in connexion with preparations for external application.

Sir JOHN QUICK.—It is expressly provided that the Bill shall not apply to liniments and veterinary medicines. Under the Victorian law, certain manufacturers were permitted to use spirit in bond, under Excise supervision, free of duty. That was an enormous concession to the scent-making industry.

Sitting suspended from 6.30 to 7.30 p.m.

Sir JOHN QUICK.—Unmethylated, or pure spirits, intended to be used for manufacturing purposes should not be freed from duty, because of the abuses likely to creep in, and the opportunities that would be presented for defrauding the revenue. I may inform the honorable member for Bourke that the ques-

report, which has been drafted, and partly approved of, and which will, no doubt, be presented at an early date. The honorable member will then find that the industry to which he has drawn attention will not be permitted to suffer. Whilst not altogether agreeing with the proposed amendment, I think that when the Minister, acting upon the recommendation of his officers, proposes to modify a machinery clause, it is not for us to place any obstacles in the way. Therefore, I will urge honorable members to allow the amendment to pass without further challenge.

Mr. HUTCHISON (Hindmarsh) [7.33].—I am quite satisfied that the Minister was actuated by the very best intentions in proposing his amendment. But it seems to me that neither he, nor the honorable member for Lang, realizes that the clause is not intended to apply to consumers, but entirely to vendors. I do not think that the Minister would be doing anything wrong if he allowed the clause to stand as it is.

Sir WILLIAM LYNE (Hume—Minister of Trade and Customs) [7.34].—I propose to alter the amendment slightly by making it apply merely to paragraph *b*. I did not make any definite promise to the honorable member for Lang, but stated that I would consult the officers of the Department, and ascertain whether any serious consequences would ensue if an amendment in the direction he indicated were adopted. The Comptroller-General does not think that any injury can be done by adopting an amendment in the form proposed. If it be shown later on that the door would be open to fraud, I shall make a further alteration in the Bill. In the meantime, I wish to carry out my undertaking to the honorable member for Lang. I do not think that the honorable member for Bourke need fear that the persons on whose behalf he has spoken this afternoon will be placed at any disadvantage. Ample power is given to prescribe regulations which will meet such a case as he has mentioned. I desire to amend my amendment to make it read as follows:—

It shall be a defence to a prosecution under paragraph *b* if the defendant proves that he did not knowingly sell or have in his possession the goods forming the subject of the prosecution.

Amendment amended accordingly.

Mr. LONSDALE (New England) [7.36].—I should like the Minister to give his

attention to the question of facilitating the use of denatured spirit for lighting purposes, and for producing power. This spirit is made absolutely unfit for human consumption, and should be free of duty.

Amendment agreed to.

Bill reported with further amendments, and passed through its remaining stages.

BOUNTIES BILL.

THIRD READING.

Report adopted.

Motion (by Sir WILLIAM LYNE) proposed—

That the Bill be now read a third time.

Mr. LONSDALE (New England) [7.41].—I desire once more to express my strong objection to this measure. As I stated before, it is not intended to encourage the establishment of new industries. Something might be said in support of bounties intended to encourage the cultivation of new products that would confer benefit upon the whole community. But nothing can be said in defence of a proposal to take money out of the pockets of the people and give it to those who are engaged in industries which are already established on a profitable basis. Most of the industries mentioned in the schedule are already in existence in the Commonwealth. Queensland is producing cotton equal to the best in the world. Dr. Thomatis, who has done so much to improve the productive power of the cotton plant, recently obtained for a parcel of his product 15d. per lb., or twice the amount realized for the average American or Egyptian product. Why, under these circumstances, should we call upon the general taxpayer to provide for the payment of bounties to those engaged in cotton cultivation. The fact that the article brings such a high price should, in itself, prove a sufficient inducement to persons to engage in the industry. We have the Treasurer's assurance that the whole of the revenue available for expenditure by the Commonwealth will soon be required to meet our obligations. Yet we are deliberately expending public money for the purpose of benefiting those who may choose to engage in certain profitable industries. This Parliament appears to be absolutely reckless in its expenditure. Probably the reason for its prodigality is to be found in the fact that a general election is approaching. As I have already remarked, the price of cotton which has been produced here in itself constitutes a suffi-

cient inducement to persons to engage in the industry. The same remark is applicable to olive oil, in the manufacture of which large profits can be made. At the present time there is a duty of 1s. 4d. per gallon levied upon that article. If that is not sufficient to encourage its production I do not know what is. I claim that, under this Bill, we are increasing the burdens of the general taxpayer for the purpose of making a free gift to wealthy individuals like Sir Samuel Davenport. To my mind, it is high time that we exhibited a little sympathy with the poorer classes of the community, upon whom Customs duties fall more heavily than they do upon any other section. A hundredweight of olives, I am informed, will cost 5s., and will produce two gallons of olive oil, which can be sold for 16s. Surely that represents a substantial margin of profit. Nobody will seriously suggest that the cost of manufacture is anything like 5s. 6d. per gallon. Even assuming that it were 2s. 6d. per gallon, there would still remain a profit of 6s. to the manufacturer. What has become of the common sense of honorable members, I cannot understand. I have no hesitation in saying that it is a complete farce to enact legislation of this character. It is not merely useless, but is unfair to the people who have to provide the necessary funds. There is not a single honorable member in this House who would invest a penny of his own money in the industries enumerated in the schedule of the Bill, and I claim that it is our duty to still more carefully husband the money of the taxpayers. What return will the community derive from the proposed expenditure? It will not result in the establishment of a single new industry. In the case of olive oil the bounty will be in the nature of a free gift to those individuals who are already engaged in the industry. I am surprised at the attitude which has been adopted throughout the consideration of this measure by the Labour Party. They have simply played into the hands of the wealthy. So far as China oil is concerned, I understand that peanuts, which are the base of that product, form a very good food for cows. They have the effect of increasing the quantity of milk supplied, and of making it richer. We have further been assured that a return of £9 per acre can be obtained from their cultivation, whilst the oil which is expressed from them will yield a return of £20 odd per acre. There are very few

of our primary industries which will do that. During the course of the debate upon this Bill repeated reference has been made to the rubber industry. Anybody who turns to *Hansard* will find that, in discussing the proposed bounty upon the production of rubber, I made two contradictory statements. One of those statements was based upon information supplied by the Minister, and the other upon information furnished by the honorable member for Bland. The latter told us that the rubber tree had to be ten years old before it became reproductive. He stated that at the end of the first year of production the rubber which could be obtained from it was worth 12s. 6d., but that at the end of five years, when the tree reached its maximum productivity, the rubber which it yielded was worth £1. In other words, a plantation of rubber trees would finally return about £30 per acre. If that statement be correct, there is no need for us to offer a special inducement to persons to embark upon the industry. The Minister, on the other hand, has declared in the printed document which is before honorable members, that at the end of ten years the cultivator of a plantation of rubber trees would be able to obtain from each tree 1 lb. of rubber, the value of which would range from 3s. 6d. to 6s. 6d. If that statement be true the whole aspect of the case is completely altered. But my chief objection to industries of this character is that they must be carried on by means of cheap labour. We have no right to establish in this country, by means of State assistance, industries which cannot live without cheap labour. Take the cotton and coffee industries as an illustration. Neither of those industries can afford to pay white men's wages for picking. That work must be done either by women or children, and I have no wish to foster in this country industries which will employ only that class of labour. Unless the particular kind of cotton which Dr. Thomatis is introducing into Queensland is generally used, and continues to command a higher price than does ordinary cotton, how is it possible for us to employ white labour in the industry, and to compete in the markets of the world with the product of cheap labour countries such as Egypt and India? I am afraid, Mr. Speaker, that if I continue further I shall weary honorable members.

Sir JOHN FORREST.—Hear, hear.

[130]

Mr. LONSDALE.—I would remind the right honorable member that I am here to do my duty to the people, and am seeking to so put the facts before honorable members that they may yet be induced to reject the Bill. Honorable members opposite, however, appear to have no independence. They are prepared to agree to whatever the Government propose. Even at the risk of being charged with a desire to obstruct business, I am determined to voice my opinion upon the Bill, and to fight to the last against it. Honorable members opposite appear to be ready to "open their mouths and shut their eyes," and, regardless of any consideration for the interest of the people, to take whatever is given them by the Government.

Mr. WILKS (Dalley) [8.2].—The honorable member for New England has addressed the House in a judicial manner, and in neatly-turned sentences. When he expressed the fear that he might be wearying you, Mr. Speaker, he showed himself to be possessed of unusual modesty. I am sure that you are never weary of listening to the speech of an honorable member in defence of principles in which he believes. Last night in Committee we had a long and dreary debate on this Bill, and I have no desire to repeat any of the arguments then raised in opposition to it. I wish, however, to emphasize the point that the Opposition have rendered every assistance to the Government in expediting public business. They might have opposed this Bill on the report stage, but did not do so. As an earnest minority fighting against the overwhelming numbers of a well-disciplined force who believe that the imposition of bounties will tend to the welfare of the industrial classes, we desire, on the motion for the third reading of this Bill, to place on record the grounds on which we are opposed to it. My objection to the Bill is, in the first place, that under it a sum of £500,000 is to be taken from an almost depleted Treasury. The Treasurer has promised that we shall have penny postage throughout the Commonwealth, and that will involve an annual loss of something like £200,000. In these circumstances, therefore, future Treasurers will have to face a loss of £200,000 per annum in respect of one item of revenue, and also to provide the large sum payable under this Bill. The Ministry will secure the approval of a certain section of the community for having passed this measure,

while future Treasurers will have to overcome the difficulty of financing it. Those who from time to time air the grievances of the necessitous States have protested against the inroads which the Commonwealth expenditure is making upon their finances, and only a night or two ago the Premier of Queensland said that Commonwealth expenditure had so affected the finances of that State that he was afraid the union would fall to pieces. All the articles enumerated in the schedule to the Bill have hitherto been revenue-producing. They have been subject to Customs taxation for revenue purposes, and have returned something like £1,000,000 per annum. As one who is well versed in national finance, you, Mr. Speaker, will be able to appreciate the position of future Treasurers who, with a reduced revenue and the expenditure proposed under this and other Bills, will have to make ends meet. We have practically exhausted our means of raising revenue by indirect taxation, and it seems that, for the sake of a Government fetish, we shall be confronted with proposals for direct taxation. The honorable member for New England has this evening poured olive oil on the troubled fiscal waters of the Commonwealth. He points out that the olive oil industry has not asked for assistance, and that, under this Bill, we propose to assist it and other industries that are already established, and have made no demand for bounties. When these bounties cease we shall be asked to grant an extension of the system, or else to impose Customs duties for the protection of these industries. The cry will be that we must continue the system or impose protective duties, since vested interests have been created under the Bill, and the cessation of the system would affect a number of workers. Under this Bill we shall commit Australia to the bounty system. Surely the honorable and learned member for Bendigo, in view of his experience as Chairman of the Tariff Commission, should be competent to express an opinion on this question. Although he is a protectionist, he did not strongly advocate the granting of the bounties proposed in the Bill; but he certainly did say that not one witness examined by the Commission had asked for the imposition of a bounty to assist the olive oil industry. In these circumstances, it is not surprising that the honorable member for New England and other free-traders should so strongly resist the passing

Mr. Wilks.

of the Bill. The members of the Tariff Commission have been grossly insulted by the Government. The Commission was appointed to inquire into the position of various industries, and the Government should have sought from its members information in respect to the various proposals contained in this Bill. The Chairman of the Commission pleaded last night that the bounty proposed to be paid on the production of olive oil should be applied not to the product of existing groves, but to that of new plantations. Thousands of pounds have been expended to enable the Tariff Commission to obtain information for our guidance, and the action of the Government in respect to this and cognate questions is an insult to the members of that body. Their work has been set at naught; and if I were a member of the Tariff Commission, I should, in view of the introduction of this measure, and of cognate legislation flaunting recommendations arrived at after eighteen months' consideration, resign my commission. One of the bounty proposals to which I take special exception is that offered for the production of rubber. I understood that the Government intend to establish the rubber industry in New Guinea, and with that object recently made arrangements for the planting of 100,000 Para rubber trees there. Senator Staniforth Smith, in his admirable report on Java and the Straits Settlements, points out that the rubber industry pays the enormous profit of 300 per cent. on the capital invested in it. The supply of rubber amounts to about 61,000 tons a year, while the demand is still greater, so that the price is high, being now 4s. per lb., and likely to increase. The industry is not one which affords employment for much skilled manual labour, being generally carried out by black labour. Yet we are asked to vote a bounty for its encouragement in Australia. The minority against the Government on this occasion is not a very large one, and, having used all the forms of the House to prevent the passing of the measure, we cannot now do more than protest at what is being proposed. The journal which supports the Government speaks of the proposed bounties as an intended assistance to farmers. It makes that claim for them in its head-lines to-day. Such a claim is a piece of hypocrisy. What farmers are there in Australia who can take advantage of bounties for the production of cocoa, coffee, chicory, cotton, fibres, fish, oils, rice, rubber, or kapok?

and condensed milk may indirectly benefit the farmers to a slight degree, but none of the other bounties will be of the slightest assistance to them. The action of the Government in regard to chicory shows how slovenly the preparation of the measure was. It was originally proposed to set aside £2,500 a year for eight years for the encouragement of the production of coffee and chicory. But last night the Minister moved to strike out chicory, because he had discovered that his first information was entirely wrong, and that a large quantity of chicory is now being produced in Australia. Indeed, one farmer in the honorable gentleman's birthplace—Tasmania—has found chicory, instead of a profitable crop, a source of expense, because he has had great trouble in eradicating it. The proposals of the Ministry are experimental, and the experiments could have been carried out much more satisfactorily under experts connected with the Commonwealth Agricultural Bureau. In my opinion, these proposals may be regarded as the thin end of the wedge of Socialism. Those who are prepared to place in the hands of the Government the right to interfere with private enterprise in regard to the matters dealt with in the Bill will have logically no reason for objecting to proposals for still greater interference. In the past I have opposed the granting of bounties for the production of iron, but, although as a matter of principle such bounties cannot be justified, they are, on the ground of expediency, much more justifiable than are the proposed bounties. The proposal to grant bounties for the production of iron was, however, very badly received by the House. During the existence of the present Parliament I shall adhere closely to the principles which I advocated on the platform at the last election, but at the coming election I shall take my constituents into my absolute confidence, and ask them to give me discretion to do the best I can for them here.

Mr. LONSDALE.—To get all the "boodle" the honorable member can for them?

Mr. WILKS.—Exactly. Let it be unmistakably known that we are engaged in a "boodle" hunt—a hunt for plunder and loot. If that is to take place, I think that my electorate should have its share.

Mr. AUSTIN CHAPMAN.—The honorable member is coming round well.

they are merely loot hunters. It does not redound to the credit of this Parliament that a representative should have to adopt that attitude in defence of his constituents. But, although I may look innocent, I am not so foolish as to be ignorant of my duty to my constituents in this matter. My electorate is very much concerned in the ship-building industry, and if we are to give bounties for the encouragement of one industry and another, I do not see why it should not get some advantage. A bounty for ship-building would not benefit merely my electorate. It would benefit many others, including your own, Mr. Speaker, if the people there took advantage of it. Ship-building is not an industry depending for its success upon climate, as are most of the other industries which it is sought to encourage. The Bill practically makes a bid for the support of the people of Northern Queensland, and I can understand that the honorable member for Maranoa, the squatter of the far north, will be glad to take it back with him. But if national undertakings are to be encouraged, ship-building, which affords employment for thousands, is of much more importance than any of the industries mentioned in the Bill. I regret to have to oppose the third reading, but I feel bound to do so, for the reasons which I have given. In the near future the Treasurer will find it difficult to obtain revenue sufficient to meet his expenditure, and will probably then cast about for fresh means of raising money. No doubt he will have to advocate a Federal land tax, to which at the present juncture thousands of persons are opposed. As I desire to keep down expenditure as much as possible, I must oppose all proposals for adding to the public burdens.

Mr. McCOLL (Echuca) [8.27].—I do not rise to oppose the third reading. If I had desired to block the measure I could have taken advantage of the opportunity which presented itself before the third reading was moved. But I have a few remarks to make before the Bill is sent to the other Chamber. In the first place, I am of the opinion that very great care must be exercised if success is to result from the operation of the measure. It is now a mere skeleton, and I wish to see the regulations which will clothe it with a body. These regulations must be submitted to Parliament before they can operate, and I trust that they will be laid upon the table before

the end of the session, so that honorable members may have an opportunity to learn the intentions of the Government, which hitherto we have tried in vain to get at. Last night I submitted some proposals which I thought would improve the measure. When I laid them before the Minister's colleagues on Friday last, they were of that opinion, and I understood that my amendments would be accepted. But last night they were treated by the Minister of Trade and Customs in the most churlish manner. Apparently, in order to secure an amendment in measures of which he has charge, one must either be a slavish supporter of the Government, or be ready to make things very uncomfortable for them. I do not wish to have my amendments accepted for either reason. I had no personal interest in what I did. My proposals were the result of what I learned in travelling through the United States last year, and my information was gained only at the expense of considerable time and money, and a great deal of trouble. My proposals were, however, received in the wrong spirit, and were very much misunderstood. I desired to provide for the granting of a bounty for the production of cereals and fodders on arid country, whose rainfall is less than 14 inches. My amendment would have applied to all country possessing a lower rainfall than 14 inches per annum. If a man grows crops with a rainfall of 8 or 9 inches, he is entitled to more credit and greater assistance than the man who grows crops under a rainfall of 13 or 14 inches. Two-thirds of the Continent of Australia is either arid or semi-arid. In no part of that large area are any crops grown, or, if they are, they are raised only at wide intervals. Every man who sows seed in such country takes the risk of losing it, and obtaining nothing in return. He may obtain a crop, but only once in a while. In other countries where similar conditions exist, and where the soil is no better, and perhaps not so good, farmers are able to grow crops equal to those obtained in Australia in districts enjoying a rainfall of some 25 to 30 inches. This is being accomplished by the aid of science, perseverance, and the use of methods and implements with which our farmers are unacquainted. So far as I am aware, no State experimental farms have yet attempted to follow the system of cultivation adopted in America. Although some of the States authorities have

Mr. McColl.

imported special seed, and have adopted improved methods, they have not made substantial progress or achieved the same results that have been obtained in America. Since I first began to write upon this subject, I have received letters from Queensland and Western Australia, and even from the north island of New Zealand, thanking me for the information afforded. The Minister of Agriculture in Queensland is now in treaty with Professor Campbell, the soil culture expert, with a view to inducing him to teach the farmers of Queensland how to grow crops in arid districts, and is sending to the United States for implements which will enable the farmers to put the new principles in some measure to the test. The success of the dry farming methods adopted in America is working an industrial revolution in the western States. The people in that portion of the Republic are on fire with this new idea. It is working important changes, and I am sure that similar results will ensue here if we encourage our farmers to adopt the dry farming methods that I have indicated. I do not know what the Minister was afraid of when he disapproved of my amendment. No great expense would have been involved in carrying out my suggestion. Certain areas could have been selected within which it would have been open for any enterprising farmer to try dry farming. The Commonwealth authorities might have encouraged such persons by sending for seed and by otherwise assisting them. If we succeeded in inducing only one farmer in each district to show what could be done by the methods referred to, a complete revolution would be brought about, and much benefit would be derived by the community as a whole. Of course, ordinarily, a farmer could not afford to conduct experiments, but if he received reasonable assistance from the State, and saw before him some chance of success and reward, he would probably be induced to make an effort in the desired direction. Last night the honorable member for Moira quoted certain figures with regard to rainfall, but I have not been able to find anything to indorse them.

Mr. KENNEDY. — My figures were obtained from the authority I named.

Mr. MCCOLL. — I have consulted the returns compiled by Mr. Baracchi, and I cannot find in them anything to bear out those mentioned by the honorable member, who has made his own district appear a great deal worse and more arid than it is.

Mr. KENNEDY.—That is absolutely incorrect.

Mr. McCOLL.—It is quite correct. I have taken my figures from the records, and I find that in the Riverina district, north of Kerang and Echuca, which is still further north than the tract of country referred to by the honorable member for Moira, the average rainfall is 14 inches per annum. In the Riverina district, north of Nathalia, the average rainfall is 16.90; in the Goulburn Valley, from Seymour to the Murray, the average rainfall is 21.43; in the central Mallee, 13.19; in the north Mallee, 11.33; and in the country between Bendigo and Echuca, 17.60.

Mr. KENNEDY.—What is the use of side-tracking my statement? The honorable member should be fair.

Mr. McCOLL.—I am quite justified in defending my position.

Mr. KENNEDY.—The honorable member should not contradict my statement and then side-track the whole question.

Mr. McCOLL.—I am quoting from the official returns. There was no need for the honorable member for Moira to have introduced his figures as to rainfall into the discussion, because I had in my mind, not merely Victoria, but the whole continent of Australia.

Mr. KENNEDY.—It is a pity the honorable member did not obtain some practical local information before he spoke.

Mr. McCOLL.—I have travelled a good deal about the northern districts of Victoria, and I am merely stating the facts. I have endeavoured to indicate what is being done in other parts of the world, and all I desire is that an opportunity shall be afforded to our farmers to put to the test the methods successfully followed elsewhere.

Mr. KENNEDY.—I shall give the honorable member something to chew before he has finished.

Mr. McCOLL.—I do not think there is any occasion for the honorable member to lose his temper over the matter.

Mr. KENNEDY.—I do not care what the honorable member says, but I like fair dealing.

Mr. McCOLL.—I am merely quoting the records compiled by Mr. Baracchi himself.

Mr. KENNEDY.—Why did the honorable member contradict my statement and then run away to something else?

Mr. McCOLL.—I am not running away to anything else. I am merely contradicting the honorable member's statement, because the official figures do not bear it out.

Mr. KENNEDY.—I told the honorable member the source from which I obtained my figures.

Mr. McCOLL.—And I have done the same. I do not care whether the Minister makes provision in the Bill in the way I have suggested or not. He was good enough to say that he would be glad to see me next week, and to ascertain whether he could do anything to comply with my wishes. Irrespective of the Bill altogether, this question is big enough to stand by itself. It has assumed a position of the greatest importance in America, and it will do so here, in spite of anything that may be done by the Minister in a nasty party spirit. I trust that the measure will be a success, although I have grave doubts upon that point. I am sure that a large amount of the money set apart for bounties will not be claimed. To insure success, the Bill must be most carefully administered, and I trust that the regulations will be laid upon the table before the session is closed, in order that we may judge as to whether they are likely to accomplish the purpose in view.

Mr. JOSEPH COOK (Parramatta) [8.39].—I do not wish to delay the passage of the Bill. I am glad that the proposals of the honorable member for Echuca were not incorporated in it. The honorable member has placed his case before us with undoubted ability. I believe that there is a very great future before dry farming in Australia, although I am not able to say whether we at present know enough about our arid regions to enable us to systematically apply principles such as those referred to. In the United States of America they have one advantage not enjoyed by us. The whole of the territory of the United States has been subjected to an agricultural survey. The experts there have been able to tabulate their figures and thoroughly explore the ground, and it may be that we are not quite ready to embark upon the new methods proposed in the practical manner suggested by the honorable member for Echuca. Another thought occurred to my mind whilst the honorable member for Echuca and the honorable member for Moira were indulging in a small verbal duel. A 14-in. rainfall in Victoria would probably be equivalent

to a 20-in. rainfall in the far western districts of New South Wales. Climate differentiates rainfall so far as its effectiveness is concerned.

Mr. DEAKIN.—Very much also depends upon the season in which the greater part of the rain falls.

Mr. JOSEPH COOK.—Yes; but the principal differentiation is due to the climate and the heat. Therefore, provision might have to be made for placing country in the western parts of New South Wales enjoying a 20-in. rainfall upon an equality with land in Victoria enjoying a rainfall of 14 inches. For some years experiments in dry farming have been conducted near Nyngan, in New South Wales. They have not, however, resulted successfully, because a succession of drought years has rendered any reasonable growth out of the question. I am aware that, in the meantime, the science of dry farming has made a considerable advance. I understand that agriculturists working on the dry farming principle have to cultivate double the quantity of land that is placed under crop in other cases. Half the ground must lie fallow, whilst the other half is being cropped. The fallowed ground is cultivated to conserve the moisture so that it may form a reserve for the next season when the land is placed under crop. I do not think that practice has been followed at Nyngan. There is no doubt that we are constantly learning, and I think that the information that the honorable member for Echuca has placed before us, as the result of his careful and patient investigations, will prove of the utmost value to the whole of Australia, and may yet bear a prolific crop of good results in years to come. At present we are engaged in pioneering work but it seems that with the aid of science and the application of experience the desert may yet be made to blossom, not, perhaps as the rose, but as a wheatfield blossoms and fructifies. I think that the honorable member has rendered a distinct service to the agricultural industries of Victoria by ventilating this matter. I am sure that the honorable member for Moira, who is waiting to spring to his feet to engage in deadly combat with his old-time friend, will be the first to recognise that. After all, there is room for a difference of opinion in these matters. Both of these honorable members have had wide experience, and possess great knowledge of agricultural enterprises.

Therefore, this difference of opinion may ultimately lead to their standing upon a common ground in advocacy of the proposals of the honorable member for Echuca. To my mind, we do not know sufficient about the question of dry farming to formulate definite proposals concerning it. But if we are going to spend half-a-million of the taxpayers' money in the way proposed, I do think that it is enterprises which possess enormous possibilities which ought to participate in that expenditure. If ever there was a case for the payment of a bounty, the proposal of the honorable member for Echuca is one. I can see nothing in the schedule which is in any way comparable to it in its importance to Australia as a whole. I hope, therefore, that the Minister will keep his eye upon this question. I should like to see the time when, in connexion with our Federation, we shall have an expert and scientific staff which will investigate these problems, so that we may be able to ascertain whether we cannot reclaim a great portion of Australia for the production of food, instead of allowing it to lie unoccupied, and to become a breeding ground for vermin. I am bound to say that, in my opinion, a great deal of the money that will be expended under the Bill will be absolutely wasted. In regard to some of the articles mentioned in the schedule, I say that the payment of a bounty upon their production is not required. In regard to others, I am not sure that we are acting wisely—seeing that we have so much virgin land in the temperate parts of Australia—in pushing our population into tropical regions, where industries of the character proposed have only succeeded when they were worked by means of coloured labour, and under low conditions of civilization. Take coffee, cotton, rice, and rubber, as an illustration. Those commodities are produced in various parts of the world to-day by means of coloured labour. They are grown in countries where labour is plentiful and cheap. I repeat that, having regard to all the virgin land that we possess, it would be time enough to push our population into tropical spheres, and to stimulate tropical enterprise, later on when some of those lands had been brought under cultivation. In the meantime, some of this £500,000 might be better spent in stimulating enterprises in temperate zones. It might be spent where there is an abun-

energies to better advantage.

Mr. GROOM.—The leader of the Opposition did not say that when he was in Queensland.

Mr. JOSEPH COOK.—May I remind the Minister of Home Affairs that I am expressing my own opinions. I hope that the money which will be expended under this Bill will be well spent. If it does some good to Queensland I shall be delighted. When the Minister interrupted me, however, I had not Queensland in my mind. I was concentrating my thoughts upon what would contribute most to the peopling of Australia, and upon what was most calculated to fix our farming population in a climate where they can enjoy comfortable conditions, and strive to attain the ideals which are common to our race. We must be careful how we stimulate enterprises which in other lands and under other skies have led to the establishment of industries which, instead of advancing people in the social scale, have led to their impoverishment. If, by means of these bounties, we can foster tropical enterprises which will employ white labour, I admit that it will be a good thing. But it has never been done in the history of the world. As I pointed out last night, the moment these industries begin to flourish we shall have to engage in keen competition with outside races who occupy a lower position in the social scale. In Java, for example, which possesses a population of 30,000,000, and which is situated almost at our doors, the people have to depend upon these industries for their national existence. I say that the Bill contemplates an experiment which ought not to be entered upon lightly. As surely as we come into successful competition with outside inferior races so surely will they menace us in return for our aggression upon them and their civilization. The same remark applies in a lesser degree to New Guinea. We have taken into the Commonwealth half-a-million of savage people. Here begins another very serious problem in government for Australia. I therefore think that some of the money proposed to be expended under this measure might very well have been spent in Papua, if it is to be spent at all, believing as I do that Australians can do better than compete in all these black labour industries. We shall have to do that perforce, some day, when the fringe of our population is, by reason

quite an open mind upon this question, but I speak from such knowledge of the history of the world as I have been able to gain. It is impossible to point to a single instance where these tropical industries have been successful except under a state of civilization which I hope we shall never witness in Australia. I have a lingering doubt in my mind whether this money could not have been spent to infinitely more advantage in developing the resources which are common to our temperate zone, and in assisting to build up there a prosperous people, living and working under conditions which would lead to the maintenance of the ideals of our race—a happy and contented civilization in these southern seas.

Mr. KENNEDY (Moir) [8.57].—I fully appreciate the sentiments expressed by the honorable member for Parramatta when he declares that it should be our aim to build up a nation which will labour under conditions which will maintain the ideals of our race. But he appears to forget that in Australia, the land which is most favorably situated from the stand-point of the climatic conditions which obtain, is not available for occupation in the same way as are our unoccupied areas.

Mr. JOSEPH COOK.—Surely that is not an insuperable difficulty.

Mr. KENNEDY.—But it is one of those problems with which the Commonwealth cannot directly grapple. The lands of the States are practically under the control of the States Governments, and the honorable member himself is an advocate of the principle that it is undesirable for the Commonwealth to infringe States rights. Consequently an effort has to be made to settle the unoccupied spaces in our territory. However, I rose chiefly to refer to the statement which has been made by the honorable member for Echuca regarding some utterances of my own last evening. I quite appreciate the desire of the honorable member for Parramatta to act as peacemaker between us, but he will permit me to assure him that there is no estrangement between the honorable member for Echuca and myself. We have too intimate a knowledge of each other to quarrel about an honest difference of opinion. I merely desire to remove an erroneous impression which the honorable member for Echuca seems to entertain regarding my statements. He appears to

have thought that I said something to disparage the districts to which I have referred. Seeing that I live in the Goulburn Valley and that I possess a full knowledge of the conditions which obtain there, it is not likely that I would make a public statement which would be in any way derogatory to it. I dealt last night with the proposal made by the honorable member for Echuca that a bounty should be paid on the production of cereals, sorghum, grasses, and other fodder plants, grown in a locality "where the average annual rainfall for the five years preceding 1906 shall have been under 14 inches." I have an experience of the northern district of Victoria extending over thirty years, and, before speaking last night, I took the precaution to secure from the Observatory a return showing the rainfall registered at four typical stations in that part of the State. I said that, roughly speaking, half, if not more, of the total wheat yield of Victoria was at present grown in districts where the average rainfall during the last five years was under 14 inches, and that the area in which wheat was so grown could be roughly taken as being all the country fifty miles north and west of the Dividing Range, with the Murray on the north, and the South Australian border on the west. I repeat that statement, and base it on my personal knowledge of the country. I may briefly explain how the misunderstanding between the honorable member for Echuca and myself has arisen with regard to the rainfall registered in these districts. The honorable member, when putting before the House the average rainfall in the Goulburn Valley district, included practically the returns relating to the Seymour and Murray stations. Any one who is familiar with that part of the country is aware that the climatic conditions prevailing at Seymour, which is practically at the foot of the hills, are entirely different from those obtaining at the mouth of the Goulburn, near Echuca. The letter which I received from the Observatory, giving me the information on which I relied, is the property of the House. I stated last night that the rainfall registered at the Kerang station during the years 1901 to 1905 inclusive totalled 63.14 inches, or an average annual rainfall of about 12.60 inches.

MR. SKENE.—What was the rainfall in 1901?

MR. KENNEDY.—The rainfall registered at the Kerang station was as fol-

lows:—1901, 9.52 inches; 1902, 9.47 inches; 1903, 17.76; 1904, 13.12; and 1905, 13.27 inches. It will be observed that during four out of the five years in question, the rainfall at Kerang was actually below 14 inches. These figures show that the proposal of the honorable member for Echuca would have applied to all cereals and sorghums grown in the Kerang district as well as to the north of it. In the Echuca district, which is a wheat-raising and, to a limited extent, a sorghum-producing area, the rainfall during the five years 1901 to 1905 inclusive, totalled 72.95 inches, or an average of a little over 14 inches per annum. In the Nathalia district, with which I am intimately acquainted, the rainfall during the same period totalled 70 inches, so that the whole of the wheat and sorghum produced in that district would come under the amendment proposed by the honorable member. I say without hesitation that it would have been absurd to apply such a proposal to that part of Victoria. For thirty years wheat has been successfully grown there. The farmers there originally selected and turned what was a box forest into well cultivated country. We have there now a fairly well-to-do farming community growing wheat, sorghum, and other grasses. I have a personal knowledge of the district extending over thirty years, and I know that during that period there has been only one season which by any stretch of imagination could be regarded as a failure so far as the production of cereals is concerned. The general prosperity of the farming community is an evidence that wheat-growing and pastoral pursuits are being successfully carried on in Victoria and New South Wales in areas where the average rainfall for the last five years has been under 14 inches. With a seasonable rainfall of 14 inches per annum the northern district of Victoria and the Riverina have nothing to fear. It is only when we have a rainfall of but 9 or 10 inches during two successive seasons that there is any possibility of disaster overtaking the farmers there.

MR. BROWN.—Everything would depend upon the distribution of the rainfall over the year.

MR. KENNEDY.—That is so. I repeat that, given a seasonable rainfall, there is no likelihood of disaster overtaking the northern districts of Victoria or the Riverina. I recognise the fact that I have taken the rainfall returns for only five

years, whereas the honorable member for Echuca quoted those covering a ten years period, which may make a material difference in the average; but I thought that if was quite sufficient to quote the returns in respect of the period mentioned in the amendment. My figures come from an official source, and I trust that any misunderstanding that may have arisen will be removed. When we discuss any question, it is desirable that we should clearly understand the basis upon which we are working. We should not attempt to fight mere shadows. I fully appreciate the enthusiasm shown by the honorable member for Echuca in his desire that our arid districts should be further developed. We have a vast area of dry country in the north-western part of Victoria and the western district of New South Wales, and if the Government, by means of a bounty or by assisting the Agricultural Departments of the States, when funds are available, can do anything in the direction indicated by the honorable member, I shall be glad to support their efforts in that direction. My experience of the wheat-growing districts of Victoria led me to believe, however, that the proposition made last night by the honorable member was unnecessary, for it has been proved beyond doubt that the cereals and sorghum can be successfully grown in districts having a rainfall of only 14 inches per annum.

Mr. McCOLL (Echuca) [9.12].—I appreciate most heartily the kindly remarks made in reference to myself by the honorable member for Moira, and fully reciprocate them. I endeavoured last night to check the figures that I gave, and I admit that they related to a ten years period. Finding that the two returns did not tally, I felt that I was in duty bound to place these facts before the House to-night. The honorable member for Moira and I have been friends for years, and I hope that nothing will occur to disturb our harmonious relations.

Mr. McWILLIAMS (Franklin) [9.13].—The more I consider the provisions of this Bill the more firmly convinced I am that it is one that we are not warranted in passing. At an early hour this morning, when honorable members, by reason of the long sitting, were physically unfitted to give the items in the schedule that close attention which, in other circumstances, they would have received, the deputy leader of the Opposition moved an amendment, the effect of which, as the result of

conversations with several honorable members, I am satisfied was not fully appreciated. The amendment was that a certain portion of the amount set opposite the item "Miscellaneous" should be devoted to an endeavour to encourage the export trade in perishable fruits. I was requested by some honorable members to move for the recommitment of the Bill in order that this proposal might be further explained. I do not wish to do that, because I have no desire to further delay the passing of the Bill; but it will save time if I briefly explain the provision, since I believe that the object which we desire to attain will be accomplished by other means. The proposal was not, as several honorable members believed at the time, to increase the vote, but to allot part of it to the encouragement of the export of perishable products. The Committee might very well have given assistance to the export trade in perishable products. The State of Tasmania will have to provide from £4,000 to £6,000 a year as its contribution to the proposed bounty fund, but its people will receive no benefit from the bounties.

Sir WILLIAM LYNE.—They will be able to take advantage of the proposed bounty for the production of condensed and powdered milk, and of other bounties.

Mr. McWILLIAMS.—After a careful examination of the situation, I feel convinced that the people of the State of which I am a representative will get no advantage from the bounties. Many of them have at their own expense—in some cases successfully, and in other cases unsuccessfully—endeavoured to find markets outside the Commonwealth for their perishable products, and if it is right to grant a bounty for the assistance of the olive oil industry, it would surely be right to grant a bounty for the assistance of the fruit industry, not only in Tasmania, but in all the States. The people of Tasmania have, at considerable expense to themselves, obtained an outlet for some of their fruit; but if the Government gave a bounty for the encouragement of the fruit export trade generally, it would benefit, not only them, but also the people of the other States, because each State produces fruit of one kind or another. A number of honorable members informed me that they voted under a misapprehension, and that had they thoroughly understood the proposal they would have been found voting on the other side. Had the proposal been understood,

the representatives of the temperate parts of Australia would have secured for the people of those parts some share of the benefits of the Bill. As the measure stands, these benefits go almost entirely to Queensland, and those who will have to contribute the greater part of the £500,000 to be spent in bounties will get no return, except as they may be indirectly benefited by expenditure benefiting Northern Australia. The one proposal which would have given them an opportunity to participate in these benefits was rejected. Honorable members who desire to explain their position in this matter should, I think, take advantage of the opportunity to do so, because such action would have a decidedly good effect. It must be remembered that the Bill has not yet reached its final stages, and we may yet be able to reconsider the vote which was given at an early hour this morning. I emphatically protest against the selfishness of those who, having obtained large benefits for the States which they represent, refuse to allow others to participate.

Sir WILLIAM LYNE (Hume—Minister of Trade and Customs) [9.21].—I have said very little upon this measure since introducing it, but I have listened to so many misstatements and misunderstandings in regard to it that I wish now to say a few words in explanation. Dealing first with the remarks of the honorable member for Franklin—and the placard speech which he has just made was practically the twentieth repetition of his original utterances regarding the measure—I would point out that he knows perfectly well that it is impossible to apportion any part of the money provided in the Bill for the encouragement of the export trade in fruit.

Mr. McWILLIAMS.—Why?

Sir WILLIAM LYNE.—Because the proposed appropriation is not large enough. We could not give a bounty to encourage the export of fruit from Tasmania only; and to encourage the export of fruit from all the States, would require as great a sum as that provided in the Bill for all the bounties specified. Moreover, there is not much reason for trying to encourage the export trade, because, especially in Tasmania, it is already a most active and lucrative one. Except in one year, the export of fruit has paid better than anything else there, unless it is the mines. Had I proposed a bounty for the encouragement of the export of fruit, honorable members

would have taken the Government to task for proposing assistance to a well-established industry. In Tasmania, the business is so sound that a comparatively small extent of country is able to produce a sufficient quantity of fruit to induce the large ocean-going steamers to make regular visits to Hobart for a period of three months to take it away. Last night the deputy leader of the Opposition moved an amendment to include fruit among the productions to be encouraged by a bounty, and, according to the honorable member for Franklin, many members of the Committee did not understand the object of the amendment. In my opinion, there was no misunderstanding.

Mr. WILKINSON.—I was under a misapprehension in regard to the matter.

Sir WILLIAM LYNE.—I think that only one other honorable member was in that position. I was accused of having made a promise, but I did not do so. Directly the amendment was moved, I said that I could not accept it. It would cost a mint of money to give assistance to the export trade in fruit from all the States. Such assistance is certainly not needed in Tasmania, from which apples are exported in large quantities. The other States produce softer fruits, requiring more care in handling and quicker transport, and, no doubt, the export of such fruit might be improved.

Mr. McWILLIAMS.—Small fruits rot in tons in Tasmania.

Sir WILLIAM LYNE.—How far can such fruit be sent?

Mr. LEE.—Cannot it be sent long distances in pulp?

Sir WILLIAM LYNE.—One year Tasmanian pulp took possession of the New South Wales market; but that was stopped, because pulp is not very good for jam-making when it has travelled any distance. I have yet to learn that the smaller fruits, such as raspberries and strawberries, could be satisfactorily exported from Tasmania, except to the mainland. The honorable member for Echuca made a long speech early this morning, when we should all have been in bed, telling what he saw in his travels in the United States regarding the success of dry farming. While I endorse what he said as to the desirability of improving our methods, I could not accept his amendment, because it would cost a mint of money to give effect to his proposal.

revenues be regarded as a satisfactory experiment?

Sir WILLIAM LYNE. — The New South Wales Government is already doing more in experimenting in dry regions than could be done by any private individual.

Mr. LEE. — But neither Victoria nor Queensland is doing anything in this direction.

Sir WILLIAM LYNE.—If the honorable member had a farm in Victoria, and wished for information on this subject, he could easily visit the New South Wales experimental stations. What is needed is, not the granting of a bounty, but the carrying out of experiments by the State. A great deal has been said regarding the advisability of establishing a Commonwealth Department of Agriculture, and no one is more in favour of that step than I am. But it would not be justifiable to duplicate the work now done by the Departments of the States. We might perhaps collect the information obtained by the States, and take means to publish it.

Mr. WILKS.—The honorable member suggests the establishment of an information bureau?

Sir WILLIAM LYNE.—Yes. That is all that the Government would be justified in doing until some arrangement could be made with the Governments of the States for putting all the Agricultural Departments under Commonwealth control. When the States agree to some such arrangement, I shall support it as strongly as I can. What the honorable member for Echuca proposed was the giving of a bounty for the production of cereals and other crops in districts where the rainfall does not exceed 14 inches. Considering the large area of such country, there is in all the States of the mainland, the expense of carrying such a proposal into effect would be enormous. If the honorable member's proposal had been adopted we should not have been able to place any reasonable limit upon our expenditure. I may be in a position to carry out in some limited degree the wishes of the honorable member, because under the head of "Miscellaneous" in the schedule, provision is made for various articles which are mentioned, and "such other goods as are prescribed." It might be possible to frame regulations with a view to partly carrying out the suggestion of the honorable member for Echuca.

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Sir WILLIAM LYNE.—There would not be sufficient money available to enable any sum to be devoted to the payment of bounties upon exported fruit. I have no objection to the principle, but a large sum of money would be required to provide for the payment of a bounty upon the export of, say, apples from Tasmania. That State is the last that requires a bounty upon its fruit export.

Mr. McWILLIAMS.—It is the last State to obtain any benefit.

Sir WILLIAM LYNE.—It is the first State to obtain a good many things.

Mr. JOSEPH COOK.—The Minister will have a margin of £25,000.

Sir WILLIAM LYNE.—I do not know what I shall have. In view of the success with which the export trade is being carried on in Tasmania, it would have been absurd to grant an export bounty upon apples. If any export bounty is granted it should be provided for in respect of softer fruits. Of course, Tasmania produces a few pears, but the softer varieties of fruit are not grown upon a large scale.

Mr. McWILLIAMS.—Nonsense; the Minister does not know anything about it.

Sir WILLIAM LYNE.—I was born in Tasmania, and know a good deal about it. The honorable member is now making statements, equally as rash as those uttered by him with reference to barracoutta, which were ridiculed in all parts of the Commonwealth.

Mr. McWILLIAMS.—All the same, I was quite right.

Sir WILLIAM LYNE.—The honorable member stated that the apple industry would be ruined through the operation of the Commerce Act, and asserted that under the State law apples intended for export were not subjected to inspection. I find, however, that the restrictions upon the export of apples and potatoes are very much more drastic than any imposed by regulations proposed to be carried out under the Commerce Act.

Mr. McWILLIAMS.—That statement is absolutely absurd.

Sir WILLIAM LYNE.—The honorable member can, if he likes, go across to the Grand Hotel, and interview the Chief Inspector of Tasmania.

Mr. McWILLIAMS. — I know all about that.

Sir WILLIAM LYNE.—Under certain conditions, I should not object to an export

bounty in respect of soft fruit. Tasmania produces very little soft fruit that could be exported, with the exception of a few pears. It would be impossible to convey raspberries, currants, gooseberries, and similar small fruits for any great distance. When I speak of soft fruits I refer more particularly to citrous products, which require expeditious transit, and which might very well be made the subject of an export bounty. The fruit export trade of Tasmania is being carried on under the most satisfactory conditions, and has assumed such proportions that the mail boats proceed to Hobart regularly in order to convey apples to the London market. The honorable member for Franklin represented that Tasmania would receive no benefit from the proposed bounties, but I would point out that the Tasmanians are not a lazy people. They have a fine country, eminently adapted for dairying purposes, and I believe that, under the incentive of the proposed bounties, the manufacture of condensed and powdered milk will be established in that State. Further, I believe that the cultivation of many of the fibres mentioned in the schedule will also be engaged in by Tasmanians, who have a country and climate eminently adapted to their production. In view of the facts I have mentioned, I do not think that the honorable member for Franklin has much to complain of. I hope that my remarks have served to clear away some of the misapprehensions with regard to the provisions of the measure.

Mr. LEE (Cowper) [9.37].—I think that if any honorable member is under a misapprehension it is the Minister. He entirely misunderstands the object which the honorable member for Parramatta has in view. The Minister states that it will be impossible for him, with the funds at his disposal, to carry out the suggestions of that honorable member. But nothing more was suggested than that experiments should be conducted in connexion with the shipment of soft fruits, such as oranges, which, so far, have not been exported with satisfactory results. These experiments, instead of costing £500,000, as the Minister would have us believe, might not involve an outlay of more than £250. When I was a member of the Export Board in New South Wales, a number of experiments were carried out, with a view to ascertain the exact temperature at which eggs could best be preserved. At times of glut in the market large quantities of eggs

used to become rotten, and the Board, with a view to overcoming the difficulty, rented refrigerating chambers, and after a number of experiments ascertained that by keeping eggs at a certain temperature they could be preserved for six or nine months. Tasmania has never asked for an export bounty upon apples. The apple export trade has been firmly established, and no bounty is required to assist it.

Sir WILLIAM LYNE.—Then why is the honorable member for Franklin complaining?

Mr. LEE.—The honorable member merely indorsed the suggestion of the honorable member for Parramatta. But for his density, the Minister would have understood that.

Sir WILLIAM LYNE.—That is not correct.

Mr. LEE.—What I am stating is quite correct. It was desired that experiments should be made in connexion with the shipment of oranges. The want of success in connexion with the export of oranges has been largely due to the fact that the fruit has been carried in cool air charged with moisture, which has caused the oranges to become mouldy and rotten. There are, however, methods of refrigerating with dry air, and it is highly desirable that experiments should be conducted with a view to ascertaining whether oranges could not be carried to London under those improved conditions. The Minister objected to granting a bounty to assist the apple industry of Tasmania on the ground that it was already well established. Why, then, should the olive oil industry be made the subject of a bounty? No assistance of that kind is required, because our olive oil has already been brought into successful competition with the products of other countries in outside markets. On the one hand, we are endeavouring to get rid of black labour in order that we may establish a White Australia, and on the other hand an attempt is being made by means of bounties to foster the production of commodities which in all other countries are grown by black labour. I believe in allowing a black man to do a black man's work, and I think that we might more profitably develop our resources by restricting our people to occupations which white men can advantageously follow. It has been stated that the Bill will confer more benefit upon Queensland than upon any other State, but I am not influenced by that considera-

tion. I would point out, however, that Queensland has no need to resort to cotton-growing in order to make use of her vast tracts of highly productive land. The dairying industry is making rapid strides in that State, and within a few years will undergo a wonderful development. Queensland possesses millions of acres which are suitable for dairying purposes, and there is no reason why many thousands of persons should not engage in that occupation there. I do not see why we should induce people to grow cotton, which yields a return of only about £2 10s. per acre, when far more satisfactory results can be obtained by putting the land to other uses. We might be content to allow the cotton, coffee, and rubber industries to be carried on in Papua. If we encourage the natives in that Possession to follow a life of industry, and to supply us with commodities such as I have mentioned, we shall confer benefit upon them, and at the same time promote our own welfare. If the Bill brings about the development of industries to the extent anticipated by the Minister, our Customs revenue will be diminished to the extent of £1,250,000. When the States come to examine this Bill, they will be alarmed, because they will realize that under its operation their solvency will be endangered. The Labour Party will then be in a position to urge the imposition of a progressive land tax, because direct taxation will be necessary. I can readily understand why that party has so consistently supported this measure. They realize that, should it prove a success, our Customs revenue will be depleted, the solvency of the States will be imperilled, and we shall be obliged to resort to direct taxation.

Mr. WILKINSON (Moreton) [9.46].—I do not intend to reply to the remarks of the honorable member for Cowper, who has alleged that successful tropical industries are necessarily associated with black labour. That statement has been refuted time and again. As a matter of fact, in Queensland it has been conclusively proved that cotton can be successfully produced by means of white labour. But I rose merely for the purpose of making my position clear in regard to the vote which I recorded last evening upon the amendment submitted by the honorable member for Parramatta. I voted against that amendment under a misapprehension. I was present in the Chamber whilst the discussion was in pro-

gress, and left a few minutes before the question was put. When the bells rang, I returned to the Chamber. My impression was that the honorable member had proposed that a bounty should be paid to encourage the production of fruit. I am aware that in my own State the fruit-growers do not know how to dispose of their surplus product. As a matter of fact, they have subscribed considerable sums and have been aided by the State to do the very thing which I now find that the honorable member for Parramatta desired the Government to do, namely, to engage in an experiment in transporting that fruit to the other side of the world, in the hope that a market would be found for it. At the present time, the orchardists have to suffer considerable loss by reason of the fact that they have no market for their surplus. Had I understood the question which was before the Committee last night, I certainly should have voted upon the other side. However, I hope that when the Bill is returned from the Senate, honorable members will be afforded an opportunity of reconsidering the position.

Mr. McWILLIAMS.—No portion of the bounties provided would have been spent to better advantage.

Mr. WILKINSON.—The statement of the honorable member for Franklin is quite correct. Although I have loyally supported the Bill throughout, I believe that the amendment of the honorable member for Parramatta would have had the effect of improving the measure. In speaking as he did to-night, I think that the honorable member for Franklin exhibited a rather unselfish spirit, because he realizes, perhaps better than do most of us, that Tasmania does not require the aid of any bounty to provide her with a market for her fruit.

Mr. STORRER (Bass) [9.52].—I wish to say a few words in reply to the remarks which were made yesterday by the honorable member for Franklin. He declared that the whole of the proposed bounties would be absorbed by States other than Tasmania. I entirely dissent from that view. It is true that the fruit industry in Tasmania does not require the aid of any bounty, but there are other industries which will be benefited by the Bill. I find that the value of Tasmanian fruit and jam exported has, during the first five years of the Federation, increased by £95,000. I am glad to say that in the district which I have the honour to represent some persons

commenced to grow flax last year, and under this Bill, I hope that they will participate in the bounty. Although I invariably champion the claims of Tasmania, I recognise that no good object is to be served by making it appear that that State occupies a worse position than she really does. The truth is that since the establishment of Federation, the value of her exports to other States has increased by from £1,000,000 to £3,000,000 annually. It will thus be seen that, although the Tasmanian Treasury has suffered, the State itself has not been damaged in the way that the honorable member for Franklin would have us believe. I hope that the Bill will prove the success which its most ardent supporters anticipate.

Mr. BROWN (Canobolas) [9.55].—I regret that the honorable member for Cower has suffered from a bad attack of anti-Socialism to-night, causing him to look upon this Bill as an insidious attempt on the part of the Labour Party to injure the revenues of the Commonwealth so as to force a resort to direct taxation. In his calmer moments, I am sure he will admit that there is not the slightest justification for his statement. I have always held that it is the legitimate function of the Government to develop industries. For that reason, I supported the establishment of the Agricultural Department in New South Wales, and of various agricultural farms and colleges. As the outcome of the discussion upon this Bill, I trust that the Government will see their way to inaugurate a Federal Agricultural Department. I can see very great possibilities in an institution of that character. It has been urged that the tropical products mentioned in the schedule of the Bill can be successfully cultivated only by means of black labour. I need scarcely point out that the same statement was made in reference to the sugar industry—a statement the fallacy of which is now being demonstrated. I claim that it is possible to carry on tropical industries and to pay white men's wages. Last evening, some reference was made by the honorable member for Echuca to the system of dry farming. I think that under a Bill of this kind something might have been done to assist those who have been experimenting in that direction. In New South Wales, some very valuable experiments have been conducted by the Government at Wagga, and at other places by Mr. Farrar, with the result that the far-

mers throughout the arid districts have been immensely benefited. The expenditure which has been incurred in that direction has been returned many hundredfold in the form of profitable production. I supported the proposal of the honorable member for Parramatta last night, not because I desired to see the Government exporting fruit from the Commonwealth, but because I thought that experiments should be conducted by the Commonwealth to teach the fruit-growers the best way to prepare their products for foreign markets, and to overcome the failures of the past. A small expenditure in that direction might be attended by invaluable results to the fruit-growers of the Commonwealth. Provision might reasonably have been made in the Bill for experimental work in these directions. I trust that, as the outcome of this debate, such experiments will ultimately be undertaken by the Commonwealth. I do not look upon this proposal as dangerous, or as one that should not have been submitted. I believe that good work can be done under the Bill, and hope that it will lead, not only to the establishment of certain industries on a substantial footing, but to the creation of a Federal Bureau of Agriculture, which will join with the States Departments in doing everything possible to advance the producing interests of the Commonwealth.

Question resolved in the affirmative.

Bill read a third time.

REFERENDUM (CONSTITUTION ALTERATION) BILL.

SECOND READING.

Mr. GROOM (Darling Downs—Minister of Home Affairs) [10.3].—I move—

That the Bill be now read a second time.

This is a Bill to provide the machinery necessary to enable a referendum to be taken in connexion with a proposed alteration of the Constitution. Section 128 provides the conditions under which there may be an alteration, and that when a proposed law is submitted to the electors, the vote shall be taken in such manner as the Parliament prescribes. It is proposed under this Bill to provide permanent machinery for taking a vote relating to a proposed alteration. The desire of the Government is, by permanently laying down the requisite machinery, to

obviate the necessity to introduce a separate Bill to enable a referendum to be taken on every proposed alteration of the Constitution. The scheme embodied in the Bill is, shortly, to utilize as far as possible the existing electoral machinery under the Electoral Acts, in the taking of a vote on a proposed alteration. The provisions of the Electoral Acts relating to polling and electoral offences are to be applicable to the taking of a referendum. After a proposed law has been adopted in the manner provided by the Constitution, the Governor-General will, under clause 5, issue a writ for the submission of the proposed law to the electors. The writ is to be in the form prescribed, and will name a date for the taking of the vote, and for its return. Clause 6 is a rather important provision. It is proposed under it that there may be attached to the writ a copy of the proposed law, or a copy of a statement—certified to be correct by a Justice of the High Court—setting forth the text of the proposed law, the material parts of the Constitution proposed to be altered, and the material parts of the Constitution as they would be if the proposed law were passed and assented to. The desire is that there shall go out to the people of Australia a statement of the proposed law, certified to by an absolutely impartial person. A copy of the writ, and a copy of the proposed law or statement, will be forwarded under the Bill to the Governors of the several States, for it is recognised that an alteration of the Constitution concerns, not only the Commonwealth, but the States. The original writ will be forwarded to the Chief Electoral Officer, who will send a copy of it, and a copy of the proposed law or statement, to the Commonwealth Electoral Officer in the several States. Upon receipt of the writ, those officers will cause the particulars relating to it to be advertised in two newspapers circulating in each State. The advertisement will also embody a copy of the proposed law or a copy of the statement attached to the writ. With a view to giving the fullest publicity to the proposal, copies of the proposed law or of the statement are to be exhibited at the post offices and Customs houses in each State, and at such other places in the State, as the Chief Electoral Officer may direct. The duty of the Commonwealth Electoral Officers will be to forward copies of the writ and the proposed law to each Divisional Returning

Officer and Assisting Returning Officer, who will forthwith take all steps necessary to carry the writ into effect. Under the Bill, an elector may vote by ballot or through the post, or he may avail himself of the "Q" form for absent voters. The vote will be taken throughout Australia on the same date, and the existing polling-places under the Electoral Act will be the polling-places for the referendum. An elector will be allowed to vote only once, and it is provided that the election shall be by ballot. A schedule to the Bill sets out the form of the ballot-paper. The elector will be asked one simple question—

Do you approve of the proposed law for the alteration of the Constitution entitled—

The title of the proposed law will follow, and the elector will record his vote by making a cross in the square opposite the word "Yes" or "No." As I have already said, it is felt that the States have an interest in the taking of the poll, and provision is therefore made for the appointment of scrutineers by the Governors of the States. The result of the referendum will be ascertained by a scrutiny, and the Governor of a State may appoint persons to be present to supervise the scrutiny. After the poll has been taken, the Divisional Returning Officers will return their copies of the writ, giving the result of the scrutiny, to the Commonwealth Electoral Officer of the State, who will make up and count the returns, and forward them to the Chief Electoral Officer. The latter will then make a complete count, and a statement of that count will be indorsed on the original writ and published in the *Gazette*. It is provided in clause 24 that the statement so published shall, subject to the Bill, be conclusive evidence of the result of the referendum. A referendum may be disputed, either by the Commonwealth or by a State, through its Attorney-General, and any dispute in relation to a referendum will be dealt with by the High Court. It is recognised that such disputes should be settled by an impartial tribunal, and as the High Court is appointed to adjust disputes arising as between State and State, or the Commonwealth and a State, as to the interpretation of the Constitution, it is considered that the decision of these matters should be left to that tribunal. These are, briefly, the provisions in the Bill, which simply provides for the application

Act to the taking of a referendum.
Debate (on motion by Mr. JOSEPH COOK)
adjourned.

ADJOURNMENT.

ORDER OF BUSINESS.

Motion (by Mr. DEAKIN) proposed—

That the House do now adjourn.

Mr. JOSEPH COOK (Parramatta)
[10.12].—What will be the order of business to-morrow?

Mr. DEAKIN.—We shall take the Preferential Ballot Bill, and afterwards the Referendum Bill.

Question resolved in the affirmative.

House adjourned at 10.13 p.m.

Senate.

Friday, 31 August, 1906.

The PRESIDENT took the chair at 11 a.m. and read prayers.

AUSTRALIAN INDUSTRIES PRESERVATION BILL.

Motion (by Senator PLAYFORD) proposed—

That the report be adopted.

Senator WALKER (New South Wales)
[11.2].—I find from a newspaper extract that an old personal friend of mine, Senator Styles, has made some remarks with regard to certain imports, which, I presume, would be affected by the passing of this Bill, and they are of such an erroneous nature that I believe I am justified in drawing the attention of the Senate to them. Speaking from wrong information, no doubt he believed what he said. In a speech he referred to a sum of no less than £11,000,000 in sovereigns having been sent to America to pay for goods which were imported therefrom, and which might very easily have been produced in our own country. I happen to know something about the figures to which he referred, and I take the liberty of mentioning the facts here, so that he may not repeat the mistake. The goods may possibly be considered to have been exported by American trusts and others. I happen to possess information about some of the transactions.

has made some remarks in New South Wales under a misapprehension by the Honorable E. W. O'Sullivan, and I corrected it at a public meeting.

Senator STYLES.—How long is it since he made the remark?

Senator WALKER.—It was made in respect of the same years as the honorable senator referred to. Great Britain, as we all know, is a debtor country to the United States for food products, and Australia is a debtor country to Great Britain for importations. From London the banks in Australia got instructions to send large remittances in gold to San Francisco not to pay for goods bought from America, but for goods which Great Britain had bought there. In place of sending the gold to Great Britain and thence to New York, it was sent under those instructions direct to America. The honorable senator therefore was under a misapprehension in supposing that the payment was in respect of goods brought into Australia from America. Let me read exactly what he said. Speaking at Cobram on Tuesday, of last week I presume, he said—

During the same five years Australia sent only £5,500,000 worth of merchandise to the United States, but sent £11,000,000 in sovereigns to be distributed amongst the manufacturers, middlemen and operatives of the great Republic of America, instead of distributing that enormous sum amongst the manufacturers, middlemen and operatives of the great Commonwealth of the south. Had that £11,000,000 in sovereigns been expended in Australia not a single person need have been out of work during the period named. About 80 per cent. of the people of Australia are native born, and he asked them to think over these plain statements. If after having given the matter full consideration any Australian not being interested in the shipping trade, or getting a living or making a fortune out of imports, would send good Australian money across the sea for articles which could be produced in his own country by his own people, he was at all events unpatriotic, if not a fiscal crank.

I think it will be seen—and I hope the public will recognise and take note of the fact—that sometimes our honorable friends on the other side make grave mistakes as to the reason why gold is sent to America. It is often sent there to pay for goods which are got from our own countrymen in Great Britain, to whom we wish to offer a preference. The statement I have quoted was, if I may say so, unworthy of my honorable friend.

Senator STYLES.—Does the honorable senator dispute the facts given?

Senator WALKER.—I dispute the fact that we paid over £11,000,000 in gold for imports from America.

Senator STYLES.—But did we send the sovereigns there?

Senator WALKER.—They were sent there at the request of Great Britain to pay for goods which she had got from America, and if the honorable senator cannot see the reason after the explanation I have given, I am not in a position to provide him with understanding.

Senator STYLES (Victoria) [11.5].—I desire to thank Senator Walker for having given me a good advertisement. I should not have heard anything of this matter but for the development which took place last night in connexion with preferential trade. I am now going to claim my honorable friend, and some others, as preferential traders. For the last three or four days they have been talking about giving to the grand old mother country a preference. They will now have plenty of opportunity to do that.

Senator DE LARGIE.—The honorable senator is not loyal.

Senator STYLES.—I am not lip loyal, I admit, but I am prepared to go quite as far as some honorable senators on the opposite side. When it comes to the point it will be found that they will hide behind their free-trade principles, and make no distinction between one country and another. If any preference is to be given at all, they will be delighted to give it to the foreigner, and not to the country from which we have all sprung. I thank my honorable friend for having given me a splendid advertisement on the eve of an election.

Senator PULSFORD (New South Wales) [11.7].—In a few words, I wish to very emphatically repudiate the statements which were made repeatedly last night, and which are made in the press this morning, that some honorable senators endeavoured to unduly delay the passage of this Bill. There is no question that it is one of transcendent importance and entirely novel; that in its drafting those concerned had nothing to guide them; that from first to last it had to be thought out here, and that it is honeycombed with possibilities of trouble. So far from any time having been unduly consumed in the consideration of this important and momentous measure. I venture to say that it has not been sufficiently discussed, and that the exact consequences of

many of its clauses are not even yet perceived by its authors.

Senator DRAKE (Queensland) [11.10].—I quite agree with what Senator Pulsford has said in regard to the debate which took place early this morning. I do not remember a debate in the Senate in which the argument was closer, and in which there was less rhetorical embellishment.

Senator DE LARGIE.—Was that owing to the absence of Senators Best and Symon?

Senator DRAKE.—It was owing, perhaps, to the absence of some honorable senators who, at times, deliver long and tedious speeches to which nobody wants to listen, and which are simply addressed to the reporters, in order that they may be read by their constituents. These honorable gentlemen were in another part of the building, and the consequence was that the argument was very close and exceedingly well reasoned. All the amendments which were moved by me were marked in my copy of the Bill to be moved, and I felt it my duty to move them. In doing so, I said just as little as was possible to make the meaning of each proposal clear to the Committee; there was no waste of time. I do not see a printed copy of the Bill in the Chamber. In standing order 204 there is a direction that a Bill, if reported with amendments, shall, before the adoption of the report is moved, be printed, and the object of the direction is that we shall be able to see in what form it appears when the amendments have been made. That is the reason why, I take it, the consideration of a Bill, when reported from Committee with amendments, is delayed until a future day. The standing order reads—

If a Bill be reported with amendments, a future day shall be appointed for taking the report into consideration, and moving its adoption, and the Bill, as reported, shall, in the meantime, be printed.

I desire to know, sir, whether the standing order has been complied with?

The PRESIDENT.—I understand that printed copies of the Bill will be here in a minute or two.

Senator DRAKE.—As printed copies of the Bill are not here it is rather premature to go on with the discussion of this motion.

Senator CLEMONS.—Ask for an adjournment of the debate!

Senator PLAYFORD.—There is no use in delaying the passage of the Bill.

in regard to sub-clause 3 of clause 18. The hour was late, and there were two amendments under consideration. One amendment had been circulated by Senator Pearce—

Senator CLEMONS.—Take a point of order straight away.

Senator DRAKE.—As a matter of order, sir, I ask that the Bill, as printed, may be circulated amongst honorable senators before I proceed with my speech.

The PRESIDENT.—Undoubtedly the honorable senator has correctly interpreted the standing order. The object of postponing the adoption of the report is that honorable senators shall be able to see a fair copy of the Bill as agreed to in Committee; but, under the circumstances—as he knows we did not adjourn until nearly 3 o'clock this morning—it is difficult for the printer to supply printed copies of the amended Bill in time for our next meeting. If we cannot get them, they cannot be circulated.

Senator DRAKE.—Last night I raised the question as to whether the expression "future day" in the standing order did not mean a future day in the ordinary calendar sense. It would seem from what has occurred that that interpretation would be more in consonance with the meaning of the standing order, because the object of the delay is no doubt to enable honorable senators to have a copy of the Bill with the amendments printed therein, so that they may know what they are speaking about. It might happen that a sitting of the Senate would extend so far into the next day that it would be absolutely impossible for the standing order to be complied with.

The PRESIDENT.—I would suggest, as a way out of the difficulty, that an honorable senator should move the adjournment of the debate.

Senator CLEMONS.—That is what I was going to do.

Senator MILLEN.—I am not prepared to agree to that suggestion. I take it, sir, that you have already decided that under standing order 204 it is not competent for an honorable senator to move the adoption of the report on a Bill until a certain condition precedent has been complied with, and that is that in the meantime the Bill shall have been printed.

the Minister or any one else to move the adoption of the report.

The PRESIDENT.—The spirit of the standing order has not been carried out, but I understand that the letter of it has been.

Senator GIVENS.—Have you closed the discussion, sir?

The PRESIDENT.—No. I have not.

Senator CLEMONS.—I wish to move the adjournment of the debate.

Senator GIVENS.—I claim my right to speak on the point of order. I rose before Senator Clemons.

The PRESIDENT.—The position is this: Senator Millen has raised a point of order as to whether it is competent for the Minister to move the adoption of the report upon the Bill until the Bill, as amended, has been printed and circulated. The letter of that standing order, I am informed, has been complied with. But the spirit of it is that the Bill shall be printed and circulated. What is the use of printing it if it is not circulated?

Senator MILLEN.—We do not know that it has been printed.

The PRESIDENT.—I only know from the Clerk.

Senator MILLEN.—The Clerk does not know, except from information supplied.

The PRESIDENT.—The Clerk tells me that the Bill was read through at 9 o'clock this morning, and was sent to the printer. He is now waiting for printed copies of it. I think that the standing order has not been carried out, but I do not wish to give a final ruling at present if other honorable senators wish to speak.

Senator MILLEN.—In the meantime copies of the Bill may be received.

Senator PLAYFORD.—I have not the slightest objection to let the Bill stand over until next Tuesday if honorable senators wish to go through it carefully, but it is a most unusual course for them to adopt. There is not the slightest necessity for it either, because the Bill will undoubtedly be in print next Tuesday, and then they will have an opportunity to move its recommitment on the motion for the third reading. That opportunity would be quite equal to moving its recommitment now. Nothing is gained

by the action taken by honorable senators opposite.

The PRESIDENT. — Does Senator Millen insist upon a ruling?

Senator MILLEN.—Not after the Minister has stated that he is willing to adjourn the further consideration of the Bill until next Tuesday.

Debate (on motion by Senator CLEMONS) adjourned.

Motion (by Senator PLAYFORD) proposed—

That the debate be resumed after the next Order of the Day has been disposed of.

Senator MILLEN (New South Wales) [11.23].—The Minister distinctly gave a promise that the Bill will be taken on Tuesday next. This is an absolute and gross breach of faith. Did I not withdraw my point of order upon the distinct understanding that the Bill would go over until Tuesday? I appeal to the Senate as to whether that is not so. Every honorable senator present heard my words. I said that if the Minister was content that the Bill should go over until Tuesday I would withdraw my point of order. That took away the advantage which I possessed. Now, however, the Minister proposes to take the Bill at a later hour to-day. He is, consciously or unconsciously, doing something which lacks the element of fairness. He will see at once the position in which he places me. Having abandoned the strong position which I occupied on the understanding that the Bill was to go over till Tuesday, he now moves that it be taken at a later hour to-day.

Senator PLAYFORD (South Australia—Minister of Defence) [11.24].—The honorable senator is altogether mistaken as to what took place. He suggested that we should wait until the Bill was printed, and put it to the President that it could not be dealt with until the printed copies were received.

Senator MILLEN.—Shall I be in order if I take my point of order again?

The PRESIDENT.—No, it has been withdrawn. I may state that I certainly understood that the Minister of Defence expressed his willingness to take the Bill next Tuesday, and it was on that understanding that I asked Senator Millen if he intended to persevere with his point of order. Whether my recollection is right or wrong I do not know.

Senator CLEMONS.—I moved the adjournment of the debate because Senator Playford said that it was to be resumed on Tuesday.

Senator PLAYFORD.—The position, as I understand it, is this: Senator Millen had raised a point of order. Before that point was absolutely decided, Senator Clemons moved his motion for the adjournment of the debate.

The PRESIDENT.—He could not have moved it before the point of order had been either decided or withdrawn.

Senator CLEMONS. — I moved the adjournment of the debate after Senator Playford had said that the Bill would be taken on Tuesday.

Senator PLAYFORD.—I understood that Senator Millen had withdrawn his point of order, and that Senator Clemons then moved the adjournment of the debate. I said that it did not matter whether the Bill was taken to-day or next Tuesday, because, on the third reading, there would be every opportunity to recommit, if a majority supported a motion to that effect. If there has been any misunderstanding, all that I can say is that I will allow the Bill to go over until Tuesday. Perhaps then honorable senators will allow me, if they fail to get the Bill back into Committee, to take the third reading shortly afterwards. That may be a fair understanding. I do not wish to lose another day.

The PRESIDENT.—Does the Minister move that the adjourned debate be an order of the day for Tuesday?

Senator PLAYFORD.—Yes.

Senator GIVENS.—I understood that the Minister had already moved that the Bill should be taken after the next Order of the Day had been disposed of.

The PRESIDENT.—I did not put that question, and Senator Playford has withdrawn it.

Senator GIVENS. — He could not have withdrawn it without the leave of the Senate, and that leave has not been given.

The PRESIDENT.—He could not have withdrawn it had it been put, but if an honorable senator submits a motion, and, not having spoken, he afterwards says that he wishes to withdraw his motion, he can do so if the original question has not been put. The question now is—

That the resumption of the debate be an Order of the Day for Tuesday next.

Motion, as amended, agreed to.

Bill received from House of Representatives, and (on motion by Senator PLAYFORD) read a first time.

BOUNTIES BILL.

Bill received from House of Representatives, and (on motion by Senator PLAYFORD) read a first time.

The PRESIDENT.—I think the Minister should comply with the standing order, and when he moves a motion should rise in his place.

CONSTITUTION ALTERATION (SENATE ELECTIONS) BILL.

SECOND READING.

Senator KEATING (Tasmania—Honorary Minister) [11.27].—I move—

That the Bill be now read a second time.

This is a Bill which consists of three clauses. The object of it is to make provision for altering a certain portion of the Constitution. This is the first step that has to be taken in accordance with section 128, which lays down the mode of effecting a constitutional alteration. It is there provided that the Constitution shall not be altered except in the following manner:—

The proposed law for the alteration thereof must be passed by an absolute majority of each House of the Parliament, and not less than two or more than six months after its passage through both Houses the proposed law shall be submitted in each State to the electors qualified to vote for the election of members of the House of Representatives.

It is necessary, therefore, that a Bill should be passed by both Houses of the Parliament by an absolute majority in each instance, and "not less than two or more than six months" before the proposed alteration is submitted to a referendum of the electors of the Commonwealth. The Bill is designed to alter section 13 of the Constitution, which reads as follows:—

As soon as may be after the Senate first meets, and after each first meeting of the Senate following a dissolution thereof, the Senate shall divide the senators chosen for each State into two classes, as nearly equal in number as practicable; and the places of the senators of the first class shall become vacant at the expiration of the third year, and the places of those of the second class at the expiration of the sixth year from the beginning of their term of service; and afterwards the places of senators shall become vacant at the expiration of six years from the beginning of their term of service.

The election to fill vacant places shall be made in the year at the expiration of which the places are to become vacant.

service of a senator shall be taken to begin on the first day of January following the day of his election, except in the cases of the first election and of the election next after any dissolution of the Senate, when it shall be taken to begin on the first day of January preceding the day of his election.

With that provision in the Constitution, the first election of members of the Commonwealth Parliament was held on the 29th March, 1901. Thirty-six senators were returned, with respect to eighteen of whom it had to be provided that they were in the first class, while the eighteen others were in the second class. In every instance, the term of service of the thirty-six senators began on the 1st January, 1901. By consequence, the term of the senators of the first class became vacant on the 31st December, 1903. It was necessary to make provision for the election of eighteen senators to take those vacant places on the 1st January, 1904. The election was consequently held in December, 1903. The election for the House of Representatives in the first instance was also taken on the 29th March, 1901. By reason of the fact that the term of office of the members of the House of Representatives had not, under the Constitution, expired on the same day as that of the members of the Senate "of the first class," it was necessary at the last general election in order to have the elections for both Houses on the one day, that the members of the House of Representatives should forego a certain portion of their term. The senators and representatives were elected simultaneously in March, 1901, but Parliament did not meet until May of the same year, when honorable members of both Houses were sworn in.

Senator MILLEN.—The slightest disturbance in the term of honorable members of another place would destroy the whole value of the Bill.

Senator KEATING. — I shall deal with that point directly. Honorable senators have doubtless had it presented to them not only that it would be more convenient to have the election of both Houses held simultaneously, but also that it is desirable the elections should be held not at the end but in the early part of the year. There has been a very general expression of opinion throughout the Commonwealth that if the elections were held in March—

Senator MILLEN.—Does the Bill insure that the elections for the House of Representatives will be held in March?

Senator KEATING. — I think there has been a very general expression of opinion throughout the Commonwealth that if the elections were held in March, or thereabouts, that would be preferable to their being held in November or December, or even October. One of the reasons is that the month of March or thereabouts is much more convenient for a large number in the farming community. That opinion has been very freely expressed in more than one State, and in more than one way, and this Bill has been introduced in order to meet what the Government consider a reasonable desire on the part of the great majority of the electors, and also to obviate, as far as possible, the sending of the Chambers to the country at different times. Senator Millen has asked if any guarantee is given that the elections will always be held in March. No; the Government are not in a position, and no other Government would be in a position, to give such a guarantee. But we assume that under ordinary normal circumstances—in the event of the House of Representatives continuing its full term without any penal dissolution—this Bill will, as far as is possible, secure simultaneous elections in the autumn, rather than, as at present, in the spring, or early summer.

Senator MILLEN.—The first time there is an extraordinary dissolution of the other House, the whole benefit of the Bill will disappear.

Senator KEATING.—That I admit.

Senator DOBSON.—Could not a clause be drafted to rectify that?

Senator KEATING.—I may inform honorable senators that the Government tried very hard to provide in this Bill for the case of an extraordinary dissolution of the other House. Several methods were very carefully considered, but the Government came to the conclusion that, so far as any arbitrary arrangement was concerned, the disadvantages were greater than the advantages. It was intended to have a provision to meet a contingency of that kind, and the one first suggested was open to a great deal of very serious criticism. Other provisions were proposed, but, eventually, it was found that no system, which could be thought of at the moment, could be adopted without entailing considerable disadvantage.

Senator DOBSON.—If a dissolution took place in the third year of the Parliament, could the case be met by extending the

term of the House of Representatives for a few months?

Senator KEATING. — Perhaps so. These, however, are matters which can be best discussed when the Bill is in Committee. I tell honorable senators frankly that these considerations received a great amount of attention from all the members of the Cabinet, and different suggestions to overcome the difficulty were presented, and most carefully considered. The Government will welcome any suggestion calculated to meet any possible difficulty which may present itself. The Bill aims at insuring simultaneous elections for both Houses, and seeks to so arrange that it will be possible to hold the elections during the first, rather than during the second, six months of the year.

Senator BEST.—Has the Minister any figures as to the cost of a separate election for the Senate?

Senator KEATING.—I cannot say off-hand what the cost would be; but I shall be able to get the information for honorable senators very speedily, or, at any rate, before we finish the consideration of the Bill. The alterations proposed by the Bill might at first sight appear to be merely verbal; but that is not the case. Clause 2, which deals with the rotation of senators, proposes to strike out of section 13 of the Constitution the words "the third year," and to insert instead "three years," thus making the term of every senator so many years from the beginning of his service. By clause 2 it is also sought to strike out of section 13 of the Constitution the words "in the year at the expiration of which," and to insert instead "within one year before." The second paragraph of section 13 of the Constitution is as follows:—

The election to fill vacant places shall be made in the year at the expiration of which the places are to become vacant.

At present the term of a senator's service, no matter when he may have been elected, expires on the 31st December in some year, and the Constitution provides that the election shall take place in anticipation of a vacancy occurring. The second paragraph of section 13, as amended, will read—

The election to fill vacant places shall be made within one year before the places are to become vacant.

It is subsequently provided that the term of a senator's service shall henceforth cease, not on the 31st December, but on the

30th June, beginning on the 1st July following the day of his election. It is provided that the election to fill the vacant places shall be held within one year from the first day of July.

Senator BEST.—That will really cover a dissolution in the third year.

Senator KEATING.—Yes, if it were sufficiently forward in the third year. At any rate, there would be six months of the third year in which it would be possible to hold the election.

Senator PEARCE. — There cannot be a double dissolution within six months of an ordinary election.

Senator KEATING.—But Senator Best referred to a dissolution of the House of Representatives.

Senator MILLEN.—There may be a penal dissolution of the House of Representatives within six months of an election.

Senator KEATING.—The Constitution makes no provision as to when the election of senators shall be held, further than that it shall be within the year at the expiration of which the terms of certain senators cease. The Bill makes no alteration in the principle, but, while altering the date on which the term shall cease, provides similarly that the election to fill the vacant places must take place within one year before the expiration of such term. We do not deviate from the principle, but simply alter the date on which the term of service shall cease.

Senator DRAKE.—I think an alteration is required in section 7 of the Constitution, which provides that senators shall be chosen for a term of six years. The Bill deviates from that provision.

Senator KEATING.—I think not. The first paragraph of section 13 provides that the places of the senators of the first class shall become vacant at the expiration of the third year, and the places of those of the second class at the expiration of the sixth year, from the beginning of their term of service.

Senator DRAKE.—But the Bill extends the term of the next senators by six months, and, therefore, I think it is necessary to amend section 7.

Senator BEST.—The arrangement under section 7 is only until Parliament otherwise provides.

Senator KEATING.—By providing that the election to fill the vacant places shall be held within twelve months ending the 30th June, when the term of office expires, we shall be enabled to hold the elections

between the 1st January and the 30th June. At the same time, it will be possible, in all cases until an extraordinary dissolution has intervened, to hold a simultaneous election for the House of Representatives, and to have that election as nearly as possible to the first assembling of the newly elected Parliament. There are other provisions in the Bill which may be regarded as consequential on those which I have already indicated. There is provision for the extension of the term of service of certain of the present senators. There is no differentiation between present senators except what is brought about by the operation of the Constitution as at present. Eighteen honorable senators will finish their term of service on the 31st December next.

Senator MILLEN.—Their present term?

Senator KEATING.—Yes; and the other provisions passing, if it proposed to extend the terms of certain senators. In order that this Bill shall take effect immediately on its passing, it is proposed to extend the term of those who would serve until 1909 to the 30th June or the 1st July, 1910.

Senator BEST.—Not nearly long enough.

Senator KEATING.—As to honorable senators who will be elected at the forthcoming elections, they will have to serve not six years, but six years and six months. If we affirm the principle, it must take effect at some time or other; and, when it does, this addition of six months, under certain circumstances, is inevitable. The Bill has been circulated for some time, and as honorable senators are familiar with the provision of the Constitution in this connexion, they will have little difficulty in appreciating the necessity for the extension of the term of service of certain senators.

Senator MILLEN (New South Wales) [11.45].—In so far as this Bill aims at consulting the convenience of the electors, it is of course entitled to a favorable reception at the hands of the Senate. But many of the remarks addressed to the Senate by the Minister in support of the measure seem to me to be quite beside the question, and to overlook what to my mind is the one fatal objection to it. Let me point out that all that is contended for in favour of this Bill would disappear absolutely if the life of the other branch of the Legislature were terminated by an extraordinary dissolution. We have these dual elections now only so long as the House of Representatives runs its full time.

a portion of its time.

Senator MILLEN.—Yes. We are now asked to take the serious step of altering the Constitution to secure an advantage which might be limited absolutely to one election. The advantage could not be derived at an election to take place between this and the end of the year, as the Bill could only cover an election taking place later than that date. Before then there might be not one, but two, extraordinary dissolutions of the other House. That is a matter upon which, of course, we can speculate, but as to which no one can decide with any degree of assurance.

Senator O'KEEFE. — We can view the matter with more equanimity than can honorable members in another place.

Senator MILLEN.—That is so; but I suppose that members of the Senate can at all times do that with any measure brought before them. We are being asked to amend the Constitution, a course which should not be lightly undertaken, for an entirely imaginary advantage, it being assumed that a dual election which has taken place once only in our Federal history will continue indefinitely. I say again that the whole of the benefit of this Bill disappears absolutely the moment the other House fails to complete its full term.

Senator DOBSON.—Not necessarily.

Senator MILLEN.—My honorable friend will pardon me; but I think that it does necessarily disappear. By shortening the term of the existence of the other House, it might be possible, as was done on a previous occasion, to have the elections for both Houses on the one date. But when that is done, it might be that the next Parliament, in a time of crisis, would have its life cut short and another election take place. Is it, then, to be assumed that the other House would foreshorten its life by one-half of the usual term, and go out in the middle of the three years term, eighteen months after an election?

Senator BEST.—It might happen if an election took place at the end of the three years.

Senator MILLEN.—As Senator Pearce has suggested, that might happen if members in another place consented to shorten their term.

Senator CLEMONS. — The other House might consent to a dissolution at a particular time, to suit the convenience of the Senate.

The members of the other House did undoubtedly, in the public interest, make a sacrifice by consenting to an earlier election than the Constitution required; but it is not to be supposed that they will continue to do that, nor is it right that they should. If, for instance, a penal dissolution of the House of Representatives were to take place in the middle of a three years term, it would be idle to suppose that the members of that House would agree to shorten the life of the next parliamentary term by eighteen months. Even if they were willing to do so, they would have no right to do so. They would have been elected for a three years term to do certain work, and so long as they were competent as a House to discharge the work required to be done, they would have no justification for abandoning their posts and going up for re-election before the time for which they had been elected had expired. I have endeavoured, so far, to show that the Bill offers no advantage applicable to the forthcoming election. It offers a possible advantage, though by no means a certain advantage, in connexion with elections which may take place in the future, but should a penal dissolution of the House of Representatives take place, that advantage might or might not entirely disappear. I now come to what appears to me to be the most serious blot in the Bill—a blot so serious, and a defect so startling, that unless it can be explained away I shall be compelled to vote against the measure. It is proposed, by means of this Bill, to hold the elections some time during March or April. Our financial year starts on the 1st July, and it seems to me that the inevitable result would be that Parliament would be called together before the 1st July. I say that—

Senator WALKER.—There is no reason for that.

Senator MILLEN.—I see the strongest of constitutional reasons for it in the slovenly way into which Australian Parliaments have got of meeting to deal with Supply for the year long after the money has been expended. What ought to be done is that Parliament should be called together before the year for which it has to make financial provision, is entered upon. We follow that practice here, and meet now in the autumn of the year, with the knowledge

made provision is ahead of us.
Senator DOBSON.—Does the honorable senator call the 27th June autumn of the year?

Senator MILLEN.—Senator Dobson is referring to one instance, whilst I spoke generally of Australian Parliaments. The honorable senator will not dispute the fact that it is the practice of the mother of Parliaments, and was the practice of Australian Parliaments, to meet before the expiration of the current financial year.

Senator WALKER.—We could alter the financial year.

Senator MILLEN.—We might alter anything, but I should like to know to what we are leading, when we are asked to alter the Constitution in this way for an imaginary advantage. If we were to alter the financial year, we should probably then find that we would be no better off than we are now. For the reasons I have given, if Parliament were called together on the 30th June, we might have sitting in the Senate honorable senators whose time was about to expire, and who had been rejected at the last election. That might be perfectly constitutional and legal, but would it be desirable? Is it desirable that we should have senators rejected by the electors in April coming here to legislate in May or June.

Senator BEST.—The same thing happens in America.

Senator MILLEN.—Is that a sufficient answer? Is the history of American legislative ways such as would induce Senator Best to accept this proposal merely because such a thing happens in America?

Senator BEST.—No; but it is almost inevitable.

Senator MILLEN.—It is not inevitable under our present system, where we elect senators to the end of the calendar year. Unless, in the case of some extraordinary national crisis, we are under no necessity to call Parliament together until the end of the year, and before the new senators are entitled to take their seats. I admit at once that in our Constitution provision is made for what I have referred to, but I do ask honorable senators whether it is likely, in practice, to be found desirable. In the first place, I think that it is very probable that an honorable senator rejected in April would fail to attend Parliament in May or June, especially if he had to come from a distant State, and the result of that would

the Senate would suffer.
Senator O'KEEFE.—If he were rejected in April he could not attend here in May or June.

Senator MILLEN.—There is no doubt that he could, and a senator rejected at an election in April, and residing in Western Australia or in the north of Queensland, would hardly leave his State to attend here only until the 30th June following. He would have to do so at considerable personal sacrifice, and when he came here it might be that he could only attend for a week.

Senator O'KEEFE.—He would be hardly likely to do it.

Senator MILLEN.—Exactly, and I am glad that my honorable friend now sees the practical objection I am urging. In such circumstances the very basis of the Senate would be undermined. The one thing for which our friends from the smaller States—small in the matter of population—fought most strenuously when the desirability of Federation was being discussed was equal representation in the Senate. I say that if this Bill were carried into effect, in all probability, so far as one can foresee, the result of the adoption of the proposal would be that the smaller States would be absolutely deprived of that equal representation to which they attach so much importance. I should perhaps be inclined to waive that objection if there were any reasonable grounds for assuming that the elections for the two Houses would always take place on the one date.

Senator KEATING.—The same objection would apply now. If there were an extraordinary dissolution of the House of Representatives, and an election for the Senate and House of Representatives took place in March or April.

Senator MILLEN.—No.

Senator KEATING.—What I mean is that the senators elected then would not take office until the 1st January following. That is quite possible under existing circumstances.

Senator MILLEN.—That is to say if Parliament were called together in December.

Senator KEATING.—No, in the following June or July. If there had been a dissolution of the House of Representatives, and an election was held in last March, and

Senator MILLEN.—Just so. But the Minister points out there exactly the defect in the present Constitution which may lead to what prevails in America. The only reason why the Constitution as it now stands is not likely to be injurious in a similar way here is that we are not likely to have a session in November or December following an election.

Senator KEATING.—We might have it in June—as we have at the present time.

Senator MILLEN.—If a dissolution of the other House took place in the early part of the year I am not prepared to believe that the present or any other Government would propose to elect the senators then, because that would be so opposed to public sentiment in Australia that they would hesitate to do it. My assumption of their hesitancy to do that is the strongest argument I can find for pointing out the defects of this Bill. I do not believe that Australian electors are prepared to elect their parliamentary representatives nine or ten months ahead of the time at which they are called upon to assume their duties.

Senator KEATING.—We have power to do it now; the Constitution provides for it.

Senator MILLEN.—I admit that the power is there, but the mere fact that it is there must be taken in conjunction with the other fact I have pointed out that there being no reason for supposing that this Parliament will be called together immediately prior to Christmas, the present Constitution is not greatly open to that objection. What Senator Keating proposes to do in this Bill is not merely to make it possible, but to absolutely insure the very difficulty he points out. At present, under the Constitution, the disadvantage is only possible, but under the proposal now submitted it would be absolutely insured and guaranteed that it would become operative and effective. I shall not labour the point, but I put it to honorable senators to say whether they think that the possible advantage of securing the elections for the two Houses on a simultaneous date—an advantage which can in no sense be regarded as permanent, but only as accidental—is not more than outweighed by the fact that we should be running the risk of having honorable sena-

as the elections, and while one of them was about to expire; or in the alternative leaving their States without efficient representation, which, to my mind, would be equally objectionable. For these reasons unless strong arguments are brought forward to destroy those which I have used and to meet the objection I have raised, I shall have to vote against the second reading of the Bill.

Senator DRAKE (Queensland) [12.0].—This is a Bill to amend the Constitution and, as such, it ought to be approached with great deliberation and caution. We ought to be extremely chary of making alterations in the Constitution. I fully appreciate our powers of amendment, and they should be used whenever a case of overwhelming necessity arises, and the well being of the whole people is concerned. But if we err at all, we should err in the direction of over-cautiousness, because it is not only the Constitution of the Commonwealth as a political body, but it is also the charter of the States, having been accepted by their people as a compromise between the sovereignty which had previously been exercised by the States and the new sovereignty which it created.

Senator GIVENS. — But that is safeguarded, because the Constitution cannot be altered without the consent of the majority of the States.

Senator DRAKE.—I know all the steps which are necessary in order to insure an amendment of the Constitution, and they are not too rigid to be overcome in the case of necessity; but I still adhere to my view that, as the fundamental instrument of government, we should be very chary in making amendments therein. There is a tendency, I am sorry to say, at certain times—and it has been emphasized of late—with parties or individual politicians who have schemes, perhaps perfectly right and proper ones, for carrying out certain matters under the Constitution, as soon as they are confronted with a difficulty in the Constitution to say, "Oh, let us amend it." Practically the principle they adopt is, "We hold certain views with regard to particular matters. If they are not in accordance with the Constitution, so much the worse for it, alter it."

Senator PEARCE.—It cannot be worse for the Constitution unless the views are in accordance with the opinions of the majority of the people.

Senator DRAKE.—I am only pleading now for deliberation and caution, and the honorable senator must see the application of my remarks. During the past few years I have heard a great number of amendments in the Constitution proposed, and in almost every case, after having gone very carefully into the matter, I have come to the conclusion that the Constitution is right, in the interests of the whole of the people, and that the proposals are not right. I believe that no amendment of the Constitution is necessary at the present time, and I should not be disposed to budge from that position unless an overwhelming case were made out to my satisfaction. In the present case, I have come to the conclusion that there is no necessity to amend the Constitution. The reason which is put forward generally is that we have had two elections close to the end of the year, that that is an inconvenient time for certain sections of the people, and that therefore the Constitution should be altered in order to allow the elections to be held at some other time in the year.

Senator PEARCE.—We have had only one election near the end of the year.

Senator DRAKE.—I thank the honorable senator for the correction. The first general election was held in March, and the last near the end of the year. We are told that, on account of the inconvenience of that period, we should proceed to amend the Constitution. Even if that be so, and there is nothing in the Constitution to require the elections to take place in December, I would point out that in such a vast territory as Australia, and with such varieties of climate we should never find any time in the year which would be equally convenient to everybody and every section. If we altered the Constitution so as to have the elections in March, we should assuredly find certain sections of the public complaining that that was a most inconvenient time to them. Pursuing the same course, there would be another agitation to amend the Constitution, in order to have the elections held at another date, and we might be engaged from year to year in tinkering with the Constitution, in order to find a date which would suit everybody. That, however, is impossible. The Constitution at the present time allows one year—from the 1st January to the 31st December—for the holding of elections for the Senate. The objection which Senator Millen raises to elections taking place a long time before the expiration of the term of office of sena-

tors is not, I think, sufficiently strong to justify us in making any alteration in the present arrangement, because I do not agree with him that there is anything to lead us to believe that an honorable senator who knows that his term of office will expire at the end of the year will be less attentive to his legislative duties than he would be in other circumstances. There are several honorable senators who have allowed it to be known for twelve months that they are not going up for re-election at the end of their term of office, but we have not found them in the discharge of their legislative duties one whit less attentive than they were previously.

Senator MILLEN. — Are they living far from here?

Senator DRAKE.—No, they live quite close.

Senator MILLEN.—That makes a big difference.

Senator DRAKE.—I do not think that a senator from another State who had made up his mind not to stand for re-election would be less attentive to the discharge of his duties than he had been before. That is not, I think, a consideration which should weigh with us, and, as I have said, the Constitution allows the senators to be elected at any time in the year, if that course be considered desirable, when there may be an election taking place for the House of Representatives. I want to call attention to a point which apparently has escaped the notice of Ministers, and, perhaps, of Senator Millen, and which must be remembered throughout the debate, and that is that the election of the senators is a States matter. It is the State Governor who issues the writ, and the State Parliament which makes the law in regard to the time of choosing the senators for a State.

Senator KEATING. — "The times and places."

Senator DRAKE.—Section 9 says—

The Parliament of a State may make laws for determining the times and places of elections of senators for the State. and section 12 provides that—

The Governor of any State may cause writs to be issued for elections of senators for the State.

That, to my mind, makes it perfectly clear that the election of senators is in the hands of the States. We cannot compel the Governor of a State to issue writs for the election of senators at any time if he does not choose to do so. Under the law made

the last year of the expiring term of office. In one State one period may be more convenient; in another State another period may be more convenient; and there is nothing in the Constitution that I can see to prevent the States individually from choosing various times for the election of senators.

Suppose that we had an election for the House of Representatives taking place in March, and that in a particular State it was considered inconvenient to hold the election of senators at any time later than that, the elections could take place simultaneously. It is of no use for us as a Federal Parliament to raise questions as to the desirability of senators being chosen a long time beforehand. The answer to that is that the Constitution allows the whole of the year for the purpose, and puts the whole matter in the hands of the State, so that it can choose its own time. Under these circumstances what advantage can be gained by passing this Bill? Supposing that the proposed alteration of the Constitution were made so far as the time for electing the senators was concerned—and that we are told is the object—it could be entirely passed over by a State, and the only difference which would be made then, and which we have the power to make, would be to add six months to the term of office of the senators next elected. The particular object which it is supposed would be attained by the proposed amendment of the Constitution would be no advantage whatever. It would be very inadvisable for us to pass the Bill unless we could attain some definite and useful purpose. With regard to the other House we have nothing to do with their electoral arrangements.

Senator MILLEN.—What!

Senator DRAKE.—I mean to say that we cannot affect the time at which the election of members of that House shall take place, because a dissolution might occur at any time. Its members are not elected for a fixed term, and if we altered the Constitution with the idea that the elections for the two Houses would be held simultaneously, and that thereby expense would be saved, it might be upset in a moment by a dissolution of the other House taking place at some time not coincident with the end of the term. Unless I change my opinion by reason of any arguments I may hear, I shall feel compelled to vote against the second reading of the Bill.

[12.13].—I listened with great interest to the speech of Senator Drake, and I was impressed with the force of much of what he said. If there is going to be an alteration of the Constitution I fear that section 7 will also require to be amended. The last paragraph of the section reads—

The senators shall be chosen for a term of six years, and the names of the senators chosen for each State shall be certified by the Governor to the Governor-General.

If the Bill were passed it would increase the term of office of a senator to six and a half years. It might, perhaps, be said that the greater would include the less, but I consider that we have no right to refer this Bill to the electors unless we also submit that particular provision. With regard to Senator Millen's remark as to the difficulty of our not meeting until the expiry of the financial year, I think it could be got over, if there is to be an alteration made, by making the date the 1st May instead of the 1st July. If we met on the 1st May the financial year would have two months to run, but if the 1st July is to be adhered to as the date we ought to make the financial year close later than the 30th June. It is very desirable, on constitutional grounds, I take it, that the Parliament should meet before the expiration of the financial year. It has been said that it is somewhat irregular for an election to take place months before the new senators will enter upon the discharge of their duties. But in the United States, the President is chosen in November, and assumes office in March of the following year. When the Bill gets into Committee, I shall take the opportunity to suggest that the 1st May be substituted for the 1st July, so as not to interfere with the present financial year. I also think that it is necessary to alter section 7 of the Constitution, because I take it that "a term of six years" means no more than six years.

Senator O'KEEFE (Tasmania) [12.16].—The chief argument adduced by the Minister in moving the second reading of this Bill has not been answered by Senator Millen and Senator Drake in their interesting speeches. I take it that Ministers have brought in the Bill to insure that the elections shall be held in March, which month is more suitable to the majority of the people than December.

Senator DRAKE.—The Bill will not insure that.

tion shall be held in any particular month. We cannot insure that the elections for the House of Representatives and the Senate will be held simultaneously. A penal dissolution would spoil that arrangement. But the Bill appeals to me in this way. We are now within a few weeks of the end of the session. The general elections are to be held at the end of November or in December. Three years ago the same thing happened, and we had the spectacle, as we have it now, of a number of members of both Houses, not dealing with the business of Parliament as they otherwise would do, being anxious to rush away to their constituencies. Members naturally are not giving measures that due consideration which they would give to them if the elections were to be held some two or three months after Christmas, and if there were not this hurry to get away. We are perfectly well aware that in both Houses at the present moment, but particularly in another place, there is a desire on the part of members to meet their constituents.

Senator CLEMONS.—Is this a Bill to promote the convenience of members present?

Senator O'KEEFE.—Certainly not, but if an alteration of the Constitution were made as proposed, it might conduce to the better consideration of measures, and therefore to the convenience of the public, by insuring a better class of legislation. This Bill, if passed, will make it possible for every election after the coming one—supposing there is no penal dissolution—to be held in March or April, instead of in December. Every Parliament, even if it meets early in the year, is not in the habit of rising until near Christmas time. In each session of the Commonwealth Parliament the tendency has been to sit almost to the end of the year, except in a year in which the general elections are to be held. The present system means—we saw it three years ago, and we see it now—that as the elections have to be held some time before Christmas, and we do not meet until June, the session in which to deal with business of considerable importance is very short. A number of very important measures now await consideration. Many members of both Houses would like to have an opportunity to consider them, but there is not sufficient time. Many of the Bills will, in the circumstances, be amongst the “slaughtered innocents.” Senator Clemons laughs in a sneering way.

Senator CLEMONS.—I am not sneering. Senator O'KEEFE.—The honorable senator has a very unfortunate smile, then.

Senator CLEMONS.—I never heard such a ridiculous argument. The time that we have depends upon when we began, and when we shall end.

Senator O'KEEFE.—The time we have is that between the commencement of the session and its close. But we know perfectly well that for some reason or other Parliament is not in the habit of meeting until the middle of the year. If the present system is continued, it will probably continue to meet in June, and if there are to be elections in December that means a very short session.

Senator CLEMONS.—When does the honorable senator think Parliament would meet if we had the elections in March?

Senator O'KEEFE.—We should probably meet about the beginning of July. If the elections were in the following March, it would be possible to deal with the work of the session in a proper manner. But, under present circumstances, the inevitable result is that towards the end of the session measures which many members of Parliament would like to see passed are either cast aside, or have to be considered in Houses half the members of which are away. That is actually what is being done to-day. We find members leaving when the House is sitting to address mid-day meetings, while others are away in different parts of the country.

Senator DE LARGIE.—And “count outs” are brought about.

Senator O'KEEFE.—Yes. The object of this Bill, therefore, is to make it possible for the elections to be held in March or April instead of in December. If that be done, there will, I think, be a better chance of avoiding the difficulties and inconveniences that surround us under the present system.

Senator STANFORTH SMITH.—The greatest advantage of the Bill is that it suits the people better to have an election in March than in December.

Senator O'KEEFE.—I do not say that we are here to suit the convenience of Members of Parliament. We have to consider the convenience of the people.

Senator CLEMONS.—The honorable senator has been discussing the convenience of senators.

showing that in the present system were altered, it would not only suit the convenience of the people and of Members of Parliament, but that better legislation would result, and fuller consideration would be given to important questions. That seems to me to be the chief argument in support of the Bill. I am perfectly in accord with Senator Drake that it is not desirable to alter the Constitution hastily. No one wishes to do that. As a matter of fact, the Constitution itself prevents us from making alterations in an ill-considered manner. Every proposed amendment has not only to be fully considered by both Houses of the Parliament, but has also to be accepted by the people when submitted to them. If it can be shown that it will in any way improve our legislation and our manner of performing our duties to make the alteration proposed, that is, I think, a sufficient justification for the Bill.

Senator HIGGS (Queensland) [12.28].—I can see no objection to the Bill, except the uncertainty that must be present in the mind of everybody about any Bill that is brought forward in the expiring hours of a Parliament, when, in our hurry, we may overlook some consequence which might, perhaps, be very inconvenient, if not dangerous. The Bill merely provides, so far as I can see, for an addition of six months to the term of senators who are to be elected this year and of those who will be elected three years later. I do not pay much attention to the dangers which Senator Millen and others have outlined. They seem to me to be imaginary possibilities rather than probabilities. The measure is introduced partly, perhaps, for the convenience of some Members of Parliament—or, rather, partly for the convenience of one House—but mainly in response to a desire that the date of the elections should be altered. I agree with Senator Drake that no matter what date we fix, no matter what season of the year we determine is the most convenient, circumstances may upset all our arrangements. As a matter of fact, March would not suit us in Queensland, because it is the rainy month. It is certainly inconvenient to be electioneering in wet weather in tropical and sub-tropical country. When elections have been held for the State Parliament in February or in March, and the streams have been flooded, candidates have frequently been prevented from travelling.

Senator HIGGS.—April and May would suit us better. Those months are usually chosen for the elections for the State Parliament for that reason. How much force is there in Senator Millen's contention as to a probable dissolution of the House of Representatives rendering all our efforts in passing this Bill null and void? The tendency of the Federal Parliament is to have regular periods for the elections; and I am inclined to the opinion that there never will be a double dissolution of the House of Representatives before the Parliament expires by effluxion of time. Members of the House of Representatives view, with a great deal of dread, not the uncertainty of the elections, but the travelling which an election entails. Many members of another place have constituencies larger than the State of Victoria, while candidates for the Senate appeal to constituencies many times larger than some of the countries of Europe. An election is not contemplated with any equanimity, in view of the appalling distances which have to be travelled, and the immense amount of work entailed. Members of the House of Representatives were inconvenienced by the last general election, on which occasion they very generously sacrificed several months of their term of office in order to save the States and the Commonwealth expense. The question of expense will operate against a state of things such as Senator Millen has described. A separate election for the Senate would mean an extra expenditure of something like £50,000, and this in itself would, I think, prove an effectual bar to a dissolution.

Senator MILLEN.—A dissolution of the other House does not rest with the members.

Senator HIGGS.—As a rule, when there is a dissolution of a Legislative Assembly, it is in consequence of the action of members who have turned out the Government. Senator Millen has suggested that a sitting senator, who had been rejected at the poll, might, pending the expiration of his term, take his place in the Senate, and share in the work of legislation. It is a matter of some surprise that Senator Millen should at last have assumed the attitude of an advanced reformer. I never before heard Senator Millen complain because in New South Wales, and other States, the system largely obtains of appointing to the Legislative Councils, men who have been

Assemblies. I suppose that the majority of the members of the Legislative Councils in the various States have at one time or other been rejected by the constituencies—that they are men who have lost the confidence of the people, and yet, as members of Second Chambers, are allowed to shape legislation.

Senator DE LARGIE.—And they are appointed for ever and aye!

Senator HIGGS.—In many instances, members of the Legislative Councils are appointed for life.

Senator DRAKE.—But there is a difference. In the case of senators, their term will not have expired, and, therefore, the case is more one in which somebody else has been selected than one in which senators have been rejected. I imagine that such a case as that suggested by Senator Millen would be very unusual. A period of thirty days may elapse after the return of the writs.

Senator WALKER.—Which writs?

Senator HIGGS.—Not the writs issued in connexion with the bank controlled by the honorable senator—not the writs issued against some poor devil who is not able to pay his interest.

Senator WALKER.—I am asking whether the honorable senator means the writs of the State Governor or the writs of the Governor-General.

Senator HIGGS.—I must apologize to the honorable senator for my little levity. I do not think that any senator rejected at the polls in November, would put in an appearance here to take part in legislation. The State represented by such an honorable senator, might be franchised to the extent of his vote, but the contingency is not one likely to arise.

Senator DRAKE.—The President of the United States continues in office under similar circumstances.

Senator HIGGS.—Senator Drake has contended that we ought not to alter the Constitution.

Senator DRAKE.—What I say is that we should alter the Constitution only with caution.

Senator HIGGS.—The honorable senator contended that we should exercise great care and deliberation in making any alteration in the Constitution. There is an advantage about a written Constitution; and there is also an advantage about an unwritten Constitution. Some writ-

to progress. Our Constitution, however, contains safeguards which would, I hope, prevent any radical alteration against the interests of the people. In order to effect an amendment of the Constitution, there has to be the consent of a majority of the people and of a majority of the States; and surely that is sufficient to prevent any detrimental change. The only alterations sought under the Bill are in regard to the date of the elections, and to the extension of the term of honorable senators by six months in either case. I think we may give ourselves the credit of saying that that is a very desirable alteration.

Senator PULSFORD (New South Wales) [12.37].—I think that more alteration of the Constitution will be necessitated by this Bill than Senator Higgs imagines. On examination, the arguments against the Bill seem rather to multiply than otherwise. In 1902 we passed an Act relating to the allowance to members of the Federal Parliament, and providing that the pay of senators should date from the day of election. If we pass the Bill as presented to us, there may be two sets of senators, and the allowance to one set, if it dates from the day of election, will mean to the Commonwealth the expenditure of a few thousand pounds. The Act to which I refer provides—

The allowance to each senator under section forty-eight of the Constitution shall be reckoned—

- (b) in the case of a senator chosen to fill a place which is to become vacant in rotation, from the 1st day of January following the day of his election.

It is quite clear that if we make the change in the Constitution suggested by the Bill, the Parliamentary Allowance Act will have to be repealed or amended, or it will remain as a more or less fatal objection to the measure. It is contemplated that senators may be elected some months ahead, and, as I have pointed out, that may mean considerable expenditure in the way of allowances. At present, when the elections take place towards the end of the year, the expenditure is very little; but if we pass the Bill there will be a good deal of difference in this respect. Another point is that there will be some difficulty in making the arrangement desired for the time of meeting. At present we avoid holding the session in the hot months; but, with a

general election in the month of March, we should be called upon to meet at a very undesirable period of the year. I should like to call attention to the fact that, although the other House is nominally elected for three years, the members go for re-election about every two years and nine months. Such an arrangement is almost compulsory, in order to coincide with the arrangements of the Senate. The other House might continue for three years from the time of its first meeting; and, if it did so, an election could not take place for three years and three months.

Senator TURLEY.—That would mean having the general election at all times of the year.

Senator PULSFORD.—It is because of that possibility that it can now be proposed to have the general election in March. But if there be an election in March, 1907, there could be an election in July in 1910. It would seem, therefore, that there are difficulties in the way of bringing the elections for the two Chambers together automatically. In the past we have been able to have the elections together; but it must not be assumed that that will always be the case; and I do not see how the position will be improved by the change suggested by the Bill, to which, as I said before, a consideration of the provisions of the Parliamentary Allowance Act of 1902 suggest a difficulty which is more or less fatal.

Senator DOBSON (Tasmania) [12.44].—We should bear in mind two factors which are responsible for the measure before us. One factor is the convenience of the electors, and the other is the question of cost. I do not know whether the press have exaggerated the inconvenience caused to the farming community by holding the elections during the harvest; but the press is borne out by the fact that scarcely more than one-half of the electors take any interest in the matter. Either there is a terrible amount of apathy and neglect on the part of the electors, or the elections are held at a very inconvenient time. Then there is the question of expense. I believe that it is an absolute fact that if it should be necessary to hold the elections for the House of Representatives and the Senate at different times, that would involve an additional expense of £40,000. We have had several very thoughtful speeches, which have gone to show that this Bill is not half so simple as it looks. We should bear

in mind that we are taking merely a preliminary step, and that any Bill we pass providing for an alteration of the Constitution must go before the people for ratification. We have, therefore, no ultimate responsibility in the matter, although we incur some responsibility even by suggesting an amendment of the Constitution. I think that the Bill will be of comparatively little use, and I shall be inclined to let it pass into the waste-paper basket unless some arrangement can be made for conducting elections for both Houses at the same time, even should a dissolution of the House of Representatives take place before the end of the three years. I can see no reason why in such circumstances we should not pass a measure extending the term for which the House of Representatives should sit to cover the balance of the three years, should a dissolution take place before the expiration of that term. Unless we can do something of that sort, I can quite see that at any moment the advantages of this Bill may be taken away by a dissolution of the other House. Senator Drake made a most excellent speech, but I think he exaggerated slightly when he said that the Bill would be of no advantage to the electors. I believe that there is a harvest time in every State, and that to hold the elections in November or December would be most inconvenient. That might not be the time of the sugar harvest, but it is the harvest time for apples, fruit crops generally, and hops, and this is of small consequence compared with the harvest time for grain throughout the States.

Senator DRAKE.—But we could have elections for the Senate at any time. It is a matter for the States.

Senator DOBSON.—I confess that the honorable and learned senator somewhat startled me by reminding me of the provision in the Constitution with respect to the elections of senators being a State matter, and that the Governor of a State can issue the writs at any time during the last twelve months of a Senate term. I was led to inquire what might happen if the Governor of a State were to issue writs at a time which, while it might suit the convenience of a State, might not suit the convenience of the Commonwealth Parliament, but I presume that the States and the Commonwealth will always be prepared to act together in that matter. The electors will have the final voice in the decision of the question dealt with in this Bill. If it be

In the circumstances, I think we might take it into Committee, and consider there whether the disadvantages and difficulties of the measure are found on reflection to increase or decrease.

Debate (on motion by Senator PEARCE), adjourned.

APPROPRIATION (WORKS AND BUILDINGS) BILL.

SECOND READING.

Senator PLAYFORD (South Australia—Minister of Defence) [12.50].—I move—

That the Bill be now read a second time.

I remind honorable senators that this is one of the measures which the Senate can amend. The votes dealt with were some years ago separated from the ordinary Estimates in order that the Senate might be given that opportunity. Last year for this purpose we voted £416,911, and spent £319,720. We propose this year to vote £479,724. Last year £97,000 of the amount voted was not spent, and that is probably due to the period of the financial year at which the Bill similar to this was finally passed.

Senator DOBSON.—Why are we asked every year to vote far more money than is required?

Senator PLAYFORD.—It is impossible to estimate accurately the amount of money that will be expended on the works proposed within the year.

Senator TURLEY.—We might make arrangements to carry out the works for which money is voted in the year in which it is voted.

Senator PLAYFORD.—That is done as far as possible, but until the money is voted the Departmental officers hesitate to incur the necessary expense in preparing plans, specifications, and so forth. Very frequently also something occurs to prevent a particular work being carried out as quickly as was at first anticipated.

Senator DOBSON.—There is something wrong somewhere, when the Departmental officers suggest a certain vote and are unable to spend during the year a sum of nearly £100,000 within their estimate.

Senator PLAYFORD.—There is nothing wrong so far as I know. Precisely the same thing has occurred in South Australia year after year. We always had an unexpended balance at the end of the year. There were two sheets brought forward, one dealing with excess on votes, and the other with unexpended balances. It was very

balances, and one was practically put against the other. We have here established a Treasurer's Advance Account, and though I cannot at the present moment give honorable senators the exact particulars, I have little doubt that since the commencement of the present financial year the whole of the £97,000 unexpended balance from last year's vote has been absorbed. That is to say, the works had been commenced, were not completed at the end of the past financial year, and have been continued into the present financial year. The Treasurer makes the necessary advances against those works, and I believe honorable senators will find that the unexpended balance of £97,000 has in this way been absorbed by this time. Honorable senators who, like Senator Drake, have had practical experience in office, are aware that it is impossible to estimate what will be required to carry out the public works projected in a particular year with such accuracy that, in a total expenditure of about £500,000, there will not be a considerable sum unexpended at the close of the year. Contracts may be entered into and the works may be in progress, but may not have absorbed within the financial year the whole of the money voted for the purpose. The Treasurer has laid down a rule that he will not permit the expenditure of money in connexion with new works until Parliament has appropriated it. That is a very wise provision, and I now ask honorable senators to assist me in getting this Bill through at the earliest possible moment, in order that the officers of the Home Affairs Department who are intrusted with the duty of carrying out these works will be able as quickly as possible to undertake their construction with money voted by Parliament. The Treasurer will not give them the slightest advance for new works, and they cannot go on with them until Parliament has voted the necessary money. I repeat that the Treasurer has made a very wise rule, but a consequence of it is that if we allow three or four months of the year to elapse before we vote the necessary money we have only the balance of the year in which to spend it.

Senator DOBSON.—Does this apply to necessary repairs to buildings?

Senator PLAYFORD.—No, there is a general vote under which absolutely necessary repairs are provided for. It is only where we are dealing with absolutely new

works that the Treasurer says that until Parliament gives the necessary authority he cannot permit the expenditure of the money, since the Auditor-General may say to him, "What right had you to expend this money?" The Treasurer has therefore put a stop to expenditure in that way.

Senator DOBSON.—Have we up to the present time voted money for works that subsequently have been found not to be required?

Senator PLAYFORD.—I cannot from memory refer to any particular works at the present moment, but I have no doubt such things have occurred. They certainly occurred in my experience in the State Parliament of South Australia. Sums have often been voted for works, and it has subsequently been considered advisable not to expend the money. Such things will always occur. I do not propose to refer to every item dealt with in this Bill, but I shall direct the attention of honorable senators to those which are most important. A vote of £4,000 is provided towards the cost of erecting a store at Darling Island, Sydney, for the purpose of the Defence Department. It is only fair that I should inform the Senate that this work is estimated to cost eventually £22,300, and this item of £4,000 is a first instalment towards the cost of the work.

Senator GUTHRIE.—What is the work for?

Senator PLAYFORD.—It is for a magazine. At the present time we have some magazines situated close to Circular Quay, which we took over from the New South Wales Government as transferred properties. It is found that they are very inconveniently situated. They are not very close to the wharf, and there is no communication with them by rail. We have a piece of land at Darling Island on which we can erect magazines to take the place of those we occupy at the present time. When the proposed magazine is erected at Darling Island we shall hand back the magazines we at present occupy, and the land on which they are situated to the New South Wales Government. The advantage of a magazine at Darling Island will be that we shall have the wharf on one side, and communication by rail at the back. We shall thus be able to convey warlike stores in New South Wales to the places at which they are required by water or by rail.

Senator GUTHRIE.—Is not the proposed store to be erected at Darling Harbor, and not at Darling Island?

Senator PLAYFORD.—It is connected with Darling Harbor. I visited the old stores, and the site on which it is proposed that the new magazine shall be erected. It appears to me that what is proposed is the most economical course we could take. We should have to pay £20,000 or £30,000 to the Government of New South Wales for the stores at present occupied as transferred property, whilst as I have said, they are most inconveniently situated for the purpose.

Senator WALKER.—Does the honorable senator refer to Dawes' Point?

Senator PLAYFORD.—No, we have given up Dawes' Point entirely to the New South Wales Government, and are removing the material stored there to the neighbourhood of the present barracks. Honorable senators will find a large item at £8,000 for a trawler. This is an entirely new vote, and the object is to procure a trawler for the purpose of exploring our coast to ascertain whether we have not in certain localities large quantities of fish that could be secured by means of trawlers.

Sitting suspended from 1 to 2 p.m.

Senator PLAYFORD.—When the Senate adjourned for lunch, I was pointing out that we had placed on the Estimates a sum of £8,000 for the purpose of purchasing a trawler. As it will be an up-to-date boat, we anticipate that it will cost £7,500, and that the annual expenditure on the crew and upkeep will be about £2,500.

Senator MACFARLANE.—Had we not better have a sufficient number of honorable senators present to hear the Minister? [*Quorum formed.*]

Senator PLAYFORD.—The trawler is intended to perform pioneering work in connexion with the deep-sea fisheries on the coast of the Commonwealth. We believe that the waters beyond the three miles' limit have not yet been explored, and that they ought to be explored for the purpose of ascertaining first what fishes of value they contain; and, secondly, in what manner they may be caught. Trawling is the method most frequently employed in connexion with such fisheries, and under certain conditions it is the most effective method.

Senator WALKER.—Will the trawler be made here, or will it be purchased?

Senator PLAYFORD.—I have no information as to where the trawler is to be made or procured. I only know that we have placed on the Estimates a sum for the purchase of a trawler, and that until the item is voted, a decision as to what shall be done will not be come to. We have the experience of Cape Colony to guide us. It purchased a trawler for about £7,500, and therefore we anticipate that our trawler will cost about that sum.

Senator DE LARGIE.—Have the Government in view any particular part of the deep-sea fisheries which they intend to explore?

Senator PLAYFORD.—I do not know, nor do the papers give any information on that subject. I have here a mass of papers showing what has been done in other parts of the world, and with what success. But I do not know in what part of Australian waters the trawling will be commenced.

Senator DE LARGIE.—Seeing that we have a tremendous length of coast line, we ought to be supplied with some information of that kind.

Senator PLAYFORD.—There are other methods of deep-sea fishing which, of course, the trawler will try. Over rocky bottoms there is what is known as great line fishing, and, in addition, there is surface fishing with drift nets—the method by which herrings are captured in Europe. So far as we know Australia is the only civilized country with a large sea-board which has done nothing to establish this industry. I propose to explain what has been done in this direction by the Government of Cape Colony. It was said by some persons that so far as that Colony was concerned, there was no deep-sea fishing which would be profitable. But the Government determined to purchase a vessel for the purpose of testing the point. In 1897, therefore, they purchased a vessel called the *Pieter Faure*, a modern type of steam vessel, on which a skilled crew was placed. The report from the Government biologist says—

It was soon demonstrated that there was an abundance of fish, notwithstanding what was said to the contrary, and that there was an excellent trawling ground rivalling with the North Sea in productiveness.

The people of Cape Colony soon discovered that they had an excellent trawling ground. Let us now look at the results.

In 1902 four trawlers were engaged on the work, and a large number of fish were landed.

In 1903 the report of the Government Biologist stated that—“Four large steam trawlers, each considerably larger than the *Pieter Faure*, and over £30,000 in value in all, arrived during this period from Europe, in order to follow up the work initiated by the Cape Government.” Further—“Two other vessels, fitted up with special refrigerating arrangements for the South African trade, have arrived during the course of the year. Another large boat, 250 tons gross register, designed as a carrier and trawler, was valued at £7,500. Other trawlers are at work in addition to those mentioned, and continue to do profitable business.”

Writing to the Prime Minister in April, 1906, the Premier of Cape Colony said—

The latest information from the trawling companies now established indicates that they are doing well, and are sending large quantities of fish to the inland towns.

The expenditure of a considerable sum on the purchase of a trawler to do exploring work has resulted in the establishment of a big and growing industry. So far, Australia has done nothing in this direction. Canada, as honorable senators know, has done a great deal. She is spending about \$160,000 per annum in bounties in connexion with her fisheries.

Senator TURLEY. — That is a different thing.

Senator PLAYFORD.—I admit that it is a different thing. But, so far as the Government are concerned, I am not quite sure. But I believe that they did send out vessels originally, as we propose to do. New Zealand hired a boat which was sent round the coast with the result that it was found that large quantities of fish could be obtained by that means, and the industry in that Colony is now a very large one. According to my notes—

The amount of fish imported into Australia is 13,000,000 lbs. annually, valued at about £300,000. The local supply is spasmodic, and the people away from the sea-board have virtually no opportunity of obtaining it. This is shown by the fact that the consumption is only 9.41 lbs. per head per annum. The quantity landed in Great Britain is 47.5 lbs. per head per annum. Fish is three times as expensive in New South Wales as it is in Great Britain. The value of the fish obtained by Canada is about 16s. per head, by Norway about 14s. 6d., and by New South Wales 2s. 10d. As the fisheries of New South Wales are more developed than in any of the other States, a comparison with the Commonwealth would be less favorable. Reference has already been made to the large amount of known edible fish on the Australian coast. The question of their habits, however, is not well understood, and their location is not defined.

I do not think that I need say any more on the subject. If honorable senators ask any questions, I shall get all the informa-

ing expedition, as was done in the case of Cape Colony, to ascertain whether fish can be obtained outside the three-mile limit, and their habitat; also whether they can be caught by trawling or by deep line fishing, or by other means. It will be merely an exploring expedition, in order to ascertain the facts.

Senator FINDLEY.—Did I understand the Minister to say that the cost of a fish in Canada is only a third of the cost of a fish in New South Wales?

Senator PLAYFORD.—I said that fish are three-times as expensive in New South Wales as in Great Britain.

Senator FINDLEY.—Does the honorable senator say that the cheapness is due to the existence of the trawlers in Great Britain?

Senator PLAYFORD.—I think so. An immense quantity of fish is obtained by the fleet of English trawlers, which, as we all remember, was fired upon by the Russian fleet. Fish is exported from England to all parts of the world.

Senator MACFARLANE. — Is it proposed that the trawler shall be worked by the Federal Government?

Senator PLAYFORD. — The trawler will be worked by the Government just as is done at the Cape.

Senator PULSFORD.—The Ministers will take it in turn to be skipper of the boat.

Senator PLAYFORD.—We might like to take a few members of the Opposition outside the three-mile limit and clear the political atmosphere. I propose to call attention to only the more important items on the Estimates, especially to new items. On page 15, for instance, there is a new item of £10,000 for installing wireless telegraphy. The Marconi Company and others have been approaching the Defence Department with a view to the adoption of that system in connexion with the defence of the Commonwealth. I have considered all through that it is more a matter for the Post and Telegraph Department to take up than for the Defence Department. However, the minute I have on the subject reads as follows:—

This amount has been placed on the Estimates as a first instalment of the cost of introducing the wireless telegraph system into the Commonwealth. It has not yet been determined in which part of the Commonwealth the system will first be introduced, but full inquiries will be made into a number of proposals which have been submitted to the Department, and when a decision

ought we are really asking the Parliament to do is to vote £10,000 as a preliminary amount for the purpose of starting the installation of wireless telegraphy.

Senator TURLEY.—We are asked to give the Government an open cheque without any information as to where the system is to be established or anything else.

Senator PLAYFORD.—That will have to be determined subsequently.

Senator MULCAHY. — But the Minister ought to have some sort of a scheme to submit. As in the case of the trawling, he does not know where the start will be made. Possibly the wireless telegraphy will be used to communicate with the trawler.

Senator PLAYFORD.—The Department has not decided what the scheme shall be. The sum is required to be voted so that the authorities may commence making the necessary arrangements. When a definite scheme is carried out, other sums will have to be voted, and it will then be explained how the money is to be expended, every information being given. Of course, if Parliament says that it will not vote anything for the purpose, the Postmaster-General will not proceed any further in his inquiries.

Senator DRAKE.—He may continue his inquiries, but he can do no more.

Senator PLAYFORD.—He cannot take steps to instal the system anywhere. It will be observed that large sums are set down for Defence purposes. Altogether £169,156 is asked for, less anticipated unexpended amount of £39,156, making £130,000 to be spent. This is an amount that has been voted year by year since a paper was laid before Parliament—I think in 1903—explaining that about £500,000 was proposed to be expended upon new war-like material. The £160,000 now proposed to be expended will exhaust the sum which it was thus proposed to spend for this purpose. Considerable alterations have been made in the proposed allocation of the money at different times. Last year, instead of buying a quantity of saddles and similar accoutrements, I induced Parliament to agree to buy rifles. This year honorable senators will see that there is an item of £8,000 for purchase of accoutrements, saddle trees, stirrups, and bits. These are required for the Australian Light Horse, field and garrison troops. The next item is £53,040 for guns,

harness, waggons, and ammunition for the Field Artillery. The purpose of the vote is to provide—

12 18-pounder quick-firing guns, carriages, and limbers, with 500 rounds of ammunition each, to complete three batteries attached to the garrison force; 36 18-pounder ammunition waggons and limbers for the 24 guns arranged for last, and for the 12 guns above mentioned.

Saddle blankets to complete harness and saddlery already obtained.

The present establishment of field guns is:—

Field force—36 15-pounder breech-loading guns attached to light horse brigades.

24 18-pounder quick-firing guns attached to infantry brigades.

Garrison force—24 18-pounder quick-firing guns.

Total, 84.

Sufficient 15-pounder breech-loading guns for the light horse brigades are already in the Commonwealth; the 24 18-pounder guns for the infantry brigades have been arranged for; 20 of them have been received, and the remaining 4 are expected to arrive very shortly.

12 of the 18-pounder guns required for the garrison troops are provided this year, as shown above.

Senator PEARCE.—Are the guns we have now all up-to-date?

Senator PLAYFORD.—Practically all. There is a vote of £6,000 for camp equipment—

To provide tents, waterproof sheets, &c., towards completing the requirements of the field and garrison troops to peace establishment.

Colonel Le Mesurier has put this note on my papers—

When the Estimates were prepared, it was anticipated that this sum would complete the peace requirements on the lines proposed in Major-General Sir E. T. Hutton's scheme, but a recent overhaul of the equipment on hand in Tasmania reveals that the requirements of that State are much greater than originally set out.

The next item is £400 for miscellaneous purposes. It is to provide various tools and materials, including field sketching instruments for the purposes of the garrison forces. Under the heading of "Field Engineers' equipment," there is a sum of £2,216 to provide—

certain Royal Engineer pattern carts and waggons with necessary equipment for instructional purposes to complete the proposal embodied in General Hutton's scheme.

Senator GUTHRIE.—In what States are there engineers?

Senator PLAYFORD.—I think there are engineers in New South Wales and Victoria. The money is to be allocated to each State on the basis of the forces there situated.

Senator GUTHRIE.—There are no field engineers in South Australia and none in Western Australia.

Senator PLAYFORD.—I really do not know. There is also an item of £16,000 for machine guns and ammunition.

Senator PEARCE.—What type of machine gun is referred to?

Senator PLAYFORD.—The type we are going to obtain is that recommended in the report of the Imperial Defence Committee. I forget the name of the gun. I am not sure whether it is the Colt gun or the Maxim automatic machine gun. I know, however, that the Imperial Defence Committee recommended us not to get any more pom-poms. When I saw that recommendation, I telegraphed at once to Captain Collins, in London, to countermand the order which we had given for the supply of those guns.

Senator GUTHRIE.—On whose recommendation were they ordered?

Senator PLAYFORD.—On the recommendation of our own officers, because up to that time they were being used in the Imperial service. I do not know exactly why they have been abandoned.

Senator PEARCE.—A new machine gun has lately been adopted.

Senator PLAYFORD. — A sum of £12,000 is set down for the purpose of purchasing cadet rifles. The intention is to provide 300 Francottes and 5,500 Wesley Richard rifles for our cadets. The rifles already in the Commonwealth, and those ordered will together complete the number of miniature rifles required by us, the total number being 16,000. Then there is the large sum of £21,500 for small arms ammunition. We propose to purchase 4,000,000 rounds. That quantity is necessary to keep up our stock of reserve ammunition. We have not sufficient at present to meet what military authorities consider to be our requirements. But we are getting close up to the quantity we ought to have in reserve. I also ask for £50,000 for the purchase of 10,000 magazine Lee-Enfield rifles and parts.

Senator PEARCE.—Will the cut-offs be provided in this case?

Senator PLAYFORD.—I expect so. I sent for the cut-offs for the other rifles to which the honorable senator refers. Why the War Office did not send them out, I do not know. These cut-offs are merely little discs which can be obtained without

any difficulty. It is undoubtedly an advantage to have them, and, therefore, I have taken steps to see that they are provided.

Senator STANFORTH SMITH.—I think there are cut-offs for some of the rifles which the Department has in its possession.

Senator PLAYFORD.—Yes; but in the case of a number of the short rifles of the present English pattern, by some means or other the cut-offs were not sent.

Senator DRAKE.—Is it the short rifle that the Department is getting? Is it considered satisfactory?

Senator PLAYFORD.—Yes. It is recommended by the Imperial authorities, and is being furnished to the Imperial troops. We are getting the exact pattern of rifle with which the British Army is being supplied. According to the latest return, we have about 26,000 Lee-Enfield rifles, single-loaders. Of quick-firers we have in the Commonwealth at present 36,093. We have on order 8,604, making a total of 44,733. I propose to order 10,000 more, making 54,733. But it also has to be remembered that the members of our rifle clubs are armed with rifles, and that we have in addition a considerable number of single-loaders.

Senator STANFORTH SMITH.—How many effective rifles will the Department have when all orders are filled, including the 54,733 quick-firers mentioned?

Senator PLAYFORD.—We shall have 54,733 quick-firers when the rifles to be ordered come out. These are all thoroughly effective up-to-date magazine rifles. The single-loaders which we have are, however, very useful rifles indeed. In fact, I know officers who have been in the Boer war, and who say that they would not wish their men to be entirely armed with magazine rifles. They would prefer that some should have single-loaders. The tendency is, when the men are armed with magazine rifles, for them to fire away their ammunition too quickly. Then they have to go to the rear to get fresh ammunition, and sometimes it is difficult to supply them. Some of the officers consider that it is better to have a proportion of the men armed with single-loaders and the rest with magazine rifles, in preference to the whole number being armed with magazine rifles. Passing from military matters, it will be observed

that the sum of £12,000 is set down for New South Wales in connexion with the Post and Telegraph Department for the extension of telegraph lines, instruments and material. Honorable senators will notice a note at the bottom of the page stating that £2,400 of this sum is for work necessitated by the proposed erection of the new telephone line between Sydney and Melbourne.

Senator DRAKE.—Why is not that sum included in the other vote for telephone lines?

Senator PLAYFORD.—Part of the vote for telephones is allocated to New South Wales, and part to Victoria. The £2,400 in this instance is to be spent in New South Wales. In erecting a telephone line between Melbourne and Sydney, the money that is spent in Victorian territory is allocated to that State, and the money spent in New South Wales is allocated to New South Wales.

Senator DRAKE.—It will be all "other" expenditure now. There is a vote of £23,000 for the New South Wales portion, and I desire to know why £2,400 for the same work should be included in this item of £12,000?

Senator PLAYFORD.—I cannot say, because this is not in my Department; but I shall have inquiries made. The note I have in regard to the item is—

Of this amount, £2,400 is required to complete the re-poleing in connexion with the trunk telephone line between Sydney and Melbourne—the total cost of which re-poleing is estimated at £4,400. The balance of the amount, viz.:—£9,600, is required to provide for instruments, material, labour, &c., in connexion with the construction of new telegraph lines, and the extension of existing lines.

The note I have as to the item of £27,500 is as follows:—

This amount is required to provide for the construction of additional conduits in the city of Sydney and suburbs; the establishment of new telephone exchanges in New South Wales where the telephone system is being availed of to an extensive degree; the establishment of bureaux telephone offices; the erection of private telephone lines in accordance with regulations; labour, material, instruments, &c.

As to the item of £5,500, my note is—

This is towards the establishment of metallic circuits, £5,500. This amount is required to provide for the extension of the metallic circuit system in connexion with the metropolitan system, so as to prevent interference with the service by the electric traction system of tramways

in the city of Sydney and suburbs, and also to provide an improved service.

I have full information here in regard to every item, and that information I shall be happy to place at the disposal of honorable senators when we are in Committee. I have called attention to the fact that most of the items are simply intended for the continuation of work under votes previously made.

Question resolved in the affirmative.

Bill read a second time.

In Committee:

Clause 1 (Short title).

Senator PLAYFORD (South Australia—Minister of Defence) [2.33].—I promised Senator Mulcahy to give him an opportunity this afternoon to submit a motion in regard to the regulations under the Commerce Act. I undertook that my speech on the second reading of the Appropriation (Works and Buildings) Bill would not occupy more than half-an-hour, and I have not exceeded the time by more than a few minutes; and I should now like to know whether the honorable senator desires that progress should be reported in order to give him the opportunity to proceed with his motion.

Senator MULCAHY (Tasmania) [2.34].—The Minister of Defence knows that this is the last afternoon, and almost the last hour, when exception can be taken to the regulations under the Commerce Act. I suggest that progress be reported.

Progress reported.

COMMERCE ACT: REGULATIONS.

Senator MULCAHY (Tasmania) [2.35].—I move—

That the regulations under the Commerce Act dealing with imports, other than those referring to—(a) Articles used for food or drink; (b) Medicines; (c) Manures; and (f) Agricultural seeds, as laid upon the Table of the Senate on 2nd August, be disagreed with.

In order to remove any idea that a personal favour has been extended to me in connexion with this motion, I may say that in my opinion a rather important principle is involved. Though I may be the one affected to-day, other honorable senators may be affected in the future; and as these regulations have to lie on the table for only a given number of days after passing the Executive, this is virtually the last day and hour when any formal objection to them can be taken with any effect. Although Senator Playford did me the personal favour of placing this afternoon at

my disposal, I should like it known that the motion deals with a matter of public rather than of personal importance. I shall not take up the time of the Senate more than I can possibly avoid. These are regulations under an Act of Parliament for which, to a certain extent, Ministers have now no further responsibility, except as regards the regulations. I hope to be able to show that there are reasons why these regulations ought not to be allowed to stand; at any rate, I hope to show good reasons why they should be altered and improved. Although I condemn and dislike the Act, I shall avoid, as far as possible dealing with its principles. I recently called attention to the fact that the Act has imposed on the Minister a duty, which I do not blame him for exercising, of drafting regulations, and submitting them to Parliament and to the country. I point out that though these regulations have been published, and will have the force of statutory rules, they will not come into operation for some time, because it is necessary that due notice shall be given to importers, and, further, they cannot take effect beyond the boundary of His Majesty's Customs warehouses. It will be seen, therefore, that there is no violent hurry for the acceptance of the regulations. Any postponement of their disallowance would not involve the country or the Minister in any great difficulty or trouble, but would merely give further opportunity for consideration.

Senator GIVENS.—Why not judge the regulations on their merits without any postponement?

Senator MULCAHY.—I propose to judge the regulations on their merits. All I can do is to ask the Senate to disapprove and disallow, and I am pointing out that any disapproval would not prevent the drafting of other and better regulations, or result in any damage to trade or commerce. I hope to be able to suggest a much simpler way than is presented by these regulations, to carrying out the idea of the promoters of the measure—a way which would not result in irritation to the trade at large, but would result in as much benefit to the public as can be hoped from regulations of so extreme a character. I do not propose to disagree with the regulations affecting food, medicine, and so forth, because I frankly admit it, so far as I can judge without any particular knowledge of the trades, that those regulations may result in some good. I shall

deal only with the regulations so far as they affect the materials of which I have personal knowledge, confining my objection to the regulations as they affect—

(d) Apparel (including boots and shoes) and the materials from which such apparel is manufactured.

(e) Jewellery.

My motion deals with imports and the regulations as affecting imports. First, it is provided that the importation of the goods enumerated shall be prohibited unless there is applied to the goods "a trade description in accordance with this part" of the regulations. That is to say, this regulation as to a trade description applies to apparel, including boots and shoes, and the materials from which such apparel is made, and also jewellery, amongst other articles. The regulations go further, and provide that the trade description applied shall comply with the following provisions:—

(d) In the case of articles of apparel, the trade description shall state the nature of the principal material from which the article is made; and the term "wool," or any term implying that the material is all wool, shall not be applied to any such material, unless it contains at least 90 per cent. of pure wool.

Senator MCGREGOR.—Is that not fair enough?

Senator MULCAHY.—I do not object to that at all. I may here say that I intend to confine my remarks practically to apparel. The regulation proceeds:—

If the material contains wool, but less than 90 per cent. of pure wool, the description shall also state the other substances contained in the material.

That is a somewhat different matter to which I shall refer later. It is well known that the Commerce Act copying the Merchandise Act of Great Britain, prescribes first of all that where a voluntary description is applied to any goods whatever the description shall be a true one. That is reasonable legislation to which no one could object. I admit that it led for some time to disturbance in trade in Great Britain, because there were certain conventional descriptions with regard to quantities, weights, and so on that were thoroughly understood between merchants, importers, and those with whom they dealt, but which were not literally true descriptions. The law occasioned some trouble for a time, until people became accustomed to it, and then it worked very well. Now,

if any goods are described, they must be as described. That is quite proper, but the difficulty here is that under our Commerce Act we go further, and require a compulsory description of goods.

Senator TURLEY.—They can put goods on the market without any description whatever.

Senator MULCAHY.—No, they cannot with regard to these particular goods. The Act requires first of all that where a description is put on goods voluntarily, it shall be a true description.

Senator TURLEY.—That is the English Act?

Senator MULCAHY.—Yes; and we go further by providing that, in addition, certain goods shall be described, and that they shall not be imported unless they are described. The English Act does not compel the description of goods, but it compels a true description where a description is applied to goods.

Senator GIVENS.—But under the Commerce Act a description is not compulsory in all cases.

Senator MULCAHY.—It is not in all cases, but I am dealing with those cases in which a description is compulsory. In order to save the time of honorable senators, I briefly enumerated my reasons for objecting, and I shall state those reasons. First of all, the very great difficulty of defining what goods are required to be marked, or described, under the comprehensive heading of "apparel." I refer to the difficulty which confronts the importer who, with the best intention in the world, is ordering stuff from Home, in ascertaining what must be described, and what might come in without description. The second reason is uncertainty as to the nature of the description itself. What sort of description will the Customs officials require? I refer to the uncertainty of the nature of the description owing to the diverse character of the goods themselves, and very often to the diverse materials in any one particular article. The third reason for objection is with regard to a very great variety of articles, the uselessness of the description for accomplishing any good purposes, or for accomplishing the purposes of the Act.

Senator GIVENS.—These are really objections against the Act rather than against the regulations.

Senator MULCAHY.—They would be if I were not prepared to show, as I hope

I shall before I sit down, that a description which might be useful to carry out the purposes of the Act could be adopted in the case of some goods whilst it would be impossible to provide such a description in the case of other goods. It will be admitted that in passing any Act of Parliament, we should have some useful purpose in view. With regard to the first reason for my objection, I direct the attention of honorable senators to the very comprehensive character of the general heading of "apparel." If any honorable senator happens to have a *Tariff Guide*, and most importers take care to possess themselves of one, he will find that under that general heading, an enormous variety of made-up goods, and of materials from which goods are made, are imported. I again direct attention to the regulation itself. It deals not merely with apparel, but with the materials from which apparel is manufactured, and it is comprehensive enough to embrace every piece of stuff that goes into a draper's shop.

Senator GIVENS.—The honorable senator would not describe "mosquito net," or "window curtains" as "apparel."

Senator MULCAHY.—Mosquito net might possibly be used in the manufacture of an article of apparel. But admitting that certain articles used in connexion with household furniture might be excluded, the term embraces almost every variety of textile fabric used in the manufacture of clothing for men, women, and children. I have no hesitation in saying that that comprises almost the whole of a draper's stock-in-trade. I take it that it is not the wish of the Senate, or of any member of it, to unnecessarily embarrass the importer. If incidentally we embarrass people, we cannot help it, but I am sure that we have no desire to legislate merely for the purpose of irritating and embarrassing people. This term "apparel" covers the most comprehensive varieties of goods and articles made up from different kinds of fabrics, and a merchant who last month, to-day, or next month, is sending Home his indent orders, must naturally expect to meet with inquiry from his agents as to what goods are to be described. The Home buyer or agent reads the Act, and the regulations under it, and endeavours to ascertain what it is intended should be described. I have before me a letter received from the buying agents to a large wholesale firm in the city, which illustrates some of the difficulties. It is but a sample of one of the ordinary

notes in which comments are made by buyers with regard to certain goods they are under instructions to purchase. This agent says—

Merchandise Marks, &c., under new Act.

On this subject we should like to have some definite instructions from you, as being on the spot, regarding the marking and invoicing of goods to come within the new regulations? We give a few indications as to subjects which appear doubtful.

Foreign goods with no lettering on ticket except yardage. Must these be stamped, "Made in Germany," &c.?

I do not know that there would be any advantage to be derived from stamping them so, unless it might be contended that it would be necessary, now that it is proposed to adopt something in the way of a preferential Tariff. But I think there is no objection to that—

Measurements.—Must now, we take it, be net 36-in. to the yard, and not 37-in.?

Descriptions.—This is a crucial point, for instance :—"Moleskins"—Will this description satisfy the Customs?

Senator GUTHRIE.—There is nothing like moleskins.

Senator MULCAHY. — But "moleskins" is not moleskin, it is printed cotton.

Senator PLAYFORD.—Why not call it cotton?

Senator MULCAHY.—The buyer at Home wishes to know whether the description will be considered sufficient if he simply invoices the goods as "moleskins."

Senator PLAYFORD.—I do not believe that the Customs would interfere, whether the goods were marked "moleskins" or "cotton."

Senator MULCAHY.—There again the honorable senator tells us what he thinks might happen under the present administration, but he cannot accept responsibility for everything that some ill-informed, well-intentioned, but over-meddlesome Customs official may do. Do we not know that in the different States different methods are now adopted in administering the Customs Act? The terrible scandal which has arisen in Senator Playford's own State is a proof that different methods are adopted in different States.

Senator PLAYFORD.—That is thieving and fraud.

Senator MULCAHY.—It is fraud which has been permitted to occur owing to the different methods of administration adopted.

Senator PLAYFORD. — It is cheating on the part of a Customs agent, and not on the part of Customs officers.

Senator MULCAHY.—Yes; but that condition of things has arisen through a different and less careful method of administration of the Customs Act in South Australia.

Senator PLAYFORD.—Nothing of the sort. The thing arose before the Commonwealth was inaugurated.

Senator MULCAHY.—I shall not further discuss that now, but we know that in different States Customs officers will hold different views, will have different opportunities for acquiring knowledge, and will exercise their powers under the Commerce Act, according to their own ideas, and in different ways. Dealing further with the descriptions of goods that will be required, the agent of the firm to whom I have referred mentions "bearskins." This is a conventional term applied to a woven fabric, and not to a bearskin at all. With the greatest desire to do what is required of them under the Commerce Act, the merchant at home would have great difficulty in describing what "bearskin" was.

Senator GIVENS.—He could describe the material from which it is manufactured; and that is all that would be required.

Senator MULCAHY.—I wish that Senator Givens could get rid of his preconceived ideas, and be a little open to reason. If he will approach the consideration of this matter in a spirit of fair play he will find that I am making what are really solid objections to some of these regulations.

Senator TURLEY.—We do not know what bearskin is.

Senator MULCAHY.—No, because the honorable senator never buys bearskin. His wife might go into a shop, and buy a bearskin cloak for herself, but if she did she would know perfectly well what she was doing, and she would know that she was not getting bearskin any more than she would be getting sealskin, if she asked for that material. These are conventional terms for fabrics made up in imitation of these skins.

Senator GIVENS.—Why not say that it is an imitation?

Senator MULCAHY.—People know perfectly well that a sealskin jacket, as generally so described by the trade, is not made from the skin of the seal, but that it is an imitation. The trade name has become a conventional term, and a merchant ordering 100 sealskin jackets to be invoiced at 20s. or 15s., would not

think it necessary to take the trouble to say that he did not want jackets made of the skin of the seal.

Senator PLAYFORD.—They could be marked "imitation sealskin."

Senator MULCAHY.—There is no occasion for it. I wish to point out that the compulsory marking of these goods is quite useless. The agent to whom I have referred mentions a number of other materials: "Venetians," for instance. We know that Venetian cloth is not necessarily made in Venice. The Italian cloth we get is more often made in Bradford than in Italy. Then there are alpacas, Sicilians, silesias, and sateens. This last is a cotton fabric made in imitation of satin, and it might be supposed to be silk.

Senator GIVENS.—All shoddy.

Senator MULCAHY.—The honorable senator is so infatuated with extreme ideas as to the dishonesty of every man who makes a living by methods of trade that he is unable to entertain the idea that a tradesman can deal honestly at all.

Senator GIVENS.—"Methods of trade" is a good phrase.

Senator MULCAHY.—I know a little about trade, and I contend that tradesmen are as honest as any other section of the community, even as honest as members of Parliament.

Senator HENDERSON.—And that is saying a great deal.

Senator DE LARGIE.—The honorable senator is speaking for himself now.

Senator MULCAHY.—I do not think that I would disparage Senator Henderson if I were to say that he is quite as honest as an ordinary tradesman. The writer continues—

As there appears to be some doubt on this side as to the necessity of having tickets, &c., of certain foreign goods under certain circumstances stamped with the country where they are made, we thought it advisable now to ask the question in reference to one or two lines, and ask for cable reply.

He proceeds to deal with lines on the same plane. I have referred in my list to fabrics only; but there is another and very much more difficult line of goods, and that is articles of apparel and attire, which are made up of different fabrics. For instance, we might have a variety of fabrics composing a lady's costume. What sort of description would be of any use in that case? Our object, I take it, is to ultimately protect the public. We do so initially by requiring that all goods coming

main when they have gone out, or that the State will follow up the idea of registration and enact a provision which will compel the marking of the goods on the same lines as we initiated. That would be all very well if the States had legislated. But so far they have not shown much eagerness to follow up this legislation, and that, I may say incidentally, is another reason why the Minister might very well be asked to hold his hand in this matter.

Senator GIVENS.—That means that if the States will not do their duty we should refuse to do our duty.

Senator MULCAHY.—No; because in this regard it is very doubtful whether we are not going outside our province. There is a number of articles in respect of which we require a description, but which ought to come in under either the Food and Drugs Act or the Health Act of the State, and which could be more usefully supervised by the State authority. We stop at the boundary line. No matter what description may be required, once the goods have left the Customs warehouse they are no longer bound to retain that description.

Senator GIVENS.—Does not the honorable senator think that it is the duty of the Commonwealth, as far as it can, to protect the people against deleterious compounds or articles being dumped upon their shores without an accurate description?

Senator MULCAHY.—I do not find fault with any such intention. If we desire to accomplish a certain thing, let us adopt such means as will enable us to accomplish our object. But do not let us accomplish a great deal more than we wish to do. Do not let us, by means of harassing and irritating regulations, impose upon persons a great deal of trouble and difficulty when no good result can be attained. Before dealing with the uselessness of the description, perhaps I may, without offending Senator Givens, refer to a letter which has come from a body for which he will show great respect, and that is the Melbourne Chamber of Commerce.

Senator GIVENS.—If the honorable senator said that I have great disrespect for Chambers of Commerce, he would be more accurate.

Senator MULCAHY.—I think that I almost implied that. The honorable senator has been candid enough to tell the Senate and the country that it is so, and I am

have received a letter which reads as follows:—

I have the honour by direction of the President and Council of this Chamber to inform you that the Statutory Rules for the "Commerce Act" recently issued by the Minister of Customs have been carefully examined, and found to be most disappointing, so far as they relate to the textile section. Under the amended regulations received from the Customs Department (see page 30, clause 7), copy of which is herewith enclosed, Apparel reads:—"Goods containing wool with an admixture of other material, shall be so described." The Council quite expected that goods not made entirely from wool might be described as "Wool and other materials"—

Senator GIVENS.—Is that 5 per cent. of wool and 95 per cent. of other materials? Would not that be a misleading description?

Senator MULCAHY.—That difficulty can be overcome by prescribing that the percentage of wool shall be stated. When we require that "wool and other materials" shall involve a description of every other material used in the composition of the fabric we impose on those concerned what may be at times an impossible task. Honorable senators will realize the position if I read the remainder of the letter—

or "Wool and other ingredients," but the Statutory Rules just issued state on page 3, clauses D and E, that the description shall set out the substances contained in the material. Considering that firms which manufacture tweed apparel do not make the material a compliance with this regulation is impossible, as far as they are concerned.

Does Senator Givens understand that, so far as they are concerned, it is absolutely impossible?

Senator GIVENS.—No, and no one else can understand from the way in which it is being put. What is the necessity for importing ready-made clothing? Why cannot these persons import the tweed and make up the clothes here?

Senator MULCAHY.—We permit persons to import ready-made clothing.

Senator GIVENS.—Then let them accept the responsibility of giving a true description to the Customs.

Senator MULCAHY.—They are willing to do so, but do not wish to have forced upon them the obligation to do an impossible thing.

Senator GIVENS.—It is not impossible. What is to prevent them from getting from

Senator MULCAHY. — If the honorable senator knew anything about trade matters he would know that there is a very great deal to prevent a man from getting a true description, because the manufacturers closely guard their secrets in regard to the making up their fabrics. I am sorry to say that the honorable senator seems to have made up his mind that anything which will embarrass and irritate the importer must necessarily be good. I propose to give a practical illustration of my remarks. I have referred to the absolute uselessness of the regulations as regards protecting either the importer, who is able to protect himself, or the public, whom we assume to be benefited by the Act. What is our object in requiring a description? Is it any advantage to a person to know that the article he is buying in a shop is made up of wool and cotton?

Senator PEARCE.—Yes.

Senator MULCAHY. — From what point of view?

Senator PEARCE.—From the health point of view.

Senator MULCAHY.—I asked the question for the purpose of eliciting that reply, with which I shall deal later on.

Senator GIVENS.—Another advantage is that it prevents customers from being deceived.

THE PRESIDENT. — There are too many interruptions. The honorable senator should be allowed to get on with his speech.

Senator MULCAHY.—I want some interruptions, sir, because I wish to elicit what is in the minds of honorable senators, and, if I can, to remove their difficulties. An honorable senator on one side of me believes that the advantage of a description will be to protect the public in regard to value.

Senator GIVENS.—Yes, in one way. It will also protect them from being deceived.

Senator MULCAHY. — It will protect them from being deceived in regard to the value of the article.

Senator GIVENS.—And its nature.

Senator MULCAHY.—The honorable senator joins with Senator Pearce with regard to the effect of an article upon health?

Senator GIVENS. — Yes, among other things.

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honorable senators to follow me. The descriptions required under the Act are very vague and uncertain. If a fabric is composed of one material, say cotton, a man is required to say that it is composed of cotton. If it is composed of cotton and linen he is required to say that it is union. If it is composed of wool, he is required to say that it is an all-wool fabric. If it is composed of wool and cotton, he is required to say that it is wool and cotton. The Minister might go so far as to insist upon the percentage being put in. It would cause an enormous amount of trouble to the importers, but still it might not be open to very much objection.

Senator GIVENS. — The trouble would fall, not on the importer, but on the exporter.

Senator MULCAHY.—Everything which the exporter at Home does has to be paid for by the importer in Australia. If an analysis of cloth has to be made at Home, who but the importer has to pay for it? Again, if an importer desires that his goods shall be put up in a special way—for instance, that large pieces of stuff, as sold by the manufacturer, shall be cut into smaller pieces—he has to pay for that being done. Now, what is the use of a description? Is it of any use in regard to cotton goods? It really is not. Because a fabric which is made entirely of cotton might vary in price, as calico does, from 2d. to 1s. 6d. per yard, or even more for the finest textures of long cloth. As they are all pure cotton goods, of what use is a description?

Senator GIVENS.—Is it any hardship to say that they are all pure cotton goods?

Senator MULCAHY.—I do not know that there is any particular hardship in simple cases of that kind, but why should we compel a man to give a description if no benefit will result? Why should we compel an importer to go to the extra expense of having a particular description put on his goods? Why should we require a man to put on a piece of calico, which any man recognises, "This is a piece of calico"? any more than that we should require a ton of coal to be branded as "coal."

Senator GIVENS.—Why should I have a cotton handkerchief palmed off upon me as a pure linen handkerchief?

step which we can take under the Commerce Act, or which any State Legislature can take, which will prevent a dishonest man from palming off a cotton handkerchief as a linen handkerchief if he chooses to do so.

Senator GIVENS.—If the States would follow up our Commonwealth legislation, we could punish those traders who deceived the public.

Senator MULCAHY. If the honorable senator went down Bourke-street, and bought a handkerchief which was sold to him for linen, and he found that it was entirely cotton, he would have his remedy at present under the common law. It is impossible under these regulations to stop a dishonest tradesman from palming off inferior goods on his customers. The honorable senator, as a matter of fact, could buy linen handkerchiefs for less than it would cost to buy some kinds of cotton handkerchiefs.

Senator GIVENS.—I doubt it.

Senator MULCAHY.—I am stating an absolute fact. It is possible to buy at a shop in Bourke-street or Chapel-street, Prahran, an absolutely pure linen handkerchief of coarse quality for 6d. It is possible at the same time to buy a Scotch lawn cotton handkerchief for 1s. No one would gain anything from branding the one handkerchief as linen, and the other as cotton.

Senator GIVENS.—A man should be able to get what he bargains for.

Senator MULCAHY.—I have materials in my hand which will prove what I say.

Senator GIVENS.—The Chamber will be a haberdashery shop directly.

Senator MULCAHY.—Well, if argument will not convince the honorable senator, perhaps ocular demonstration will. If, for the purpose of protecting the purchaser who, for reasons of health, wishes to buy an entirely woollen garment, it is considered desirable that no fabric shall be marked "all wool," unless it complies with that description. I shall raise no objection. But that object can be secured in a very simple way; and I venture to say that it is the only good that we can secure by these regulations. If the Minister of Trade and Customs would allow me to deal with this matter in my own way, I believe that I could show him how all the good that can be accomplished under the

article "all wool" is not necessarily to guarantee it to be superior to a union article. I hold in my hand a piece of very common fabric in which it may be said there is only a percentage of wool. It is 54 inches wide, and is sold at 1s. 8d. per yard. But this fabric would be described in exactly the same manner as another which is sold at 2s. 6d. per yard, and as a third which is sold for 4s. 9d. All three are union fabrics—Yorkshire tweeds containing a certain proportion of wool and cotton. The one designation "union tweed" would cover them all.

Senator GIVENS.—I suppose that the wool and the cotton are in different proportions according to the value.

Senator MULCAHY. — Yes; but the point is that the same general description applies to each, although there is such a wide difference in their value. I have here another piece of stuff which I can guarantee to be absolutely pure wool. It is what is known as a cross-bred serge, made of the lowest description of wool. It is sold wholesale for 2s. 6d. per yard—about half the price of the best specimen of Yorkshire tweed which I have shown. Therefore, the description "all wool" or "union" does not necessarily imply superiority.

Senator DOBSON.—The all wool article in the case mentioned is inferior.

Senator MULCAHY.—It is. The owner of this article assured me that he would guarantee it if submitted to any kind of analysis. Another sample which I produce, and which is sold wholesale at 3s. 4d. per yard, is also all wool of a finer texture, though it would not keep its colour for any time. Other samples of all-wool material are sold wholesale for 9s. and 11s. per yard. Where, then, is the advantage of compelling importers to describe every piece of stuff which comes in? There is no protection to the public. The regulations are absolutely useless for that purpose. Take an example. I have here a pair of military socks sold retail at 6d. per pair. In the pair which I now exhibit the material is 95 per cent. cotton and 5 per cent. wool. Here is another pair of military socks containing 80 per cent. of wool and 20 per cent. of cotton. The one description would apply to both articles, although they differ so widely in quality.

indicate what they are?

Senator MULCAHY.—Exactly; it is the price of the article and the reputation of the tradesman upon which the purchaser has to depend. He must do it. If a man goes into a shop and buys an article which looks very nice, and he is told that it is pure linen, though he afterwards finds that it is merely a piece of cotton, he will not purchase at that shop again. The same happens in other branches of trade. The purchaser necessarily has to depend upon the reputation of the tradesman for the quality of the goods that he buys; and that specially applies to the textile fabrics trade. I have here also some specimens of ladies' hose. Here is a pair which is sold at 1s. It is absolutely pure wool, and could be submitted to any analysis. Another pair, of finer quality, is sold for 3s. But both are pure wool. There could be no discrimination between them in the description applied to them under the regulations. I have admitted that a trade description might be of value in the case of some articles, but the regulations are of no use whatever to enable the public to determine the quality of an article. It may be that the person desires to purchase an all-wool material for hygienic purposes. I have no objection, therefore, to the description "all wool" being applied specifically to articles which are made entirely of woollen material. Or it might be provided that any article containing less than 90 per cent. of pure wool should not be allowed to be described as woollen, and there might be a heavy penalty for an offence. But to go further, and insist upon a general description being applied to articles which are widely different in quality and price, secures no good purpose, and simply has the effect of embarrassing trade. What sort of reputation will the Australian Parliament secure for itself if we insist upon this legislation? It is because I honestly think that the regulations have absolutely no useful effect, and not because I wish to inflict any rebuff upon the Minister, that I ask the Senate to support me in disapproving of them.

Senator PLAYFORD (South Australia—Minister of Defence) [3.27].—We all have to admit that Senator Mulcahy is an authority on these matters. I acknowledge that I cannot speak with authority relating to apparel. But I point out that the honorable senator said nothing about jewellery.

though it is mentioned in his motion? It appears to me that the regulations in regard to jewellery are exceedingly fair. They simply provide that if a man imports jewellery he shall mark it as being of 9, 10, 15, or 20 carat gold, as the case may be. It has been a justifiable cause of complaint throughout the Commonwealth that hitherto jewellery has come in as gold when, as a matter of fact, the amount of gold in it has been infinitesimal. In respect of apparel, what the Minister of Trade and Customs really wishes to do is to insure that people who import goods into the Commonwealth shall give a true description of them. The Minister is exceedingly desirous, as I know from conversations that I have had with him on the subject, not to do anything which would unduly hamper people engaged in trade. He does not wish to impose conditions with which it is impossible for them to comply. Now, Senator Mulcahy wrote to the *Argus* on this subject some time ago. His letter was published on the 2nd August. On that letter, the Comptroller of Customs has made a minute as follows:—

Senator Mulcahy takes exception to the Regulations as they apply to:—

1. Apparel (including boots and shoes), and the material from which such apparel is manufactured; and
2. Jewellery.

We have heard nothing from Senator Mulcahy about boots and shoes.

Senator MULCAHY.—No; I deal only with matters of which I have some knowledge.

Senator PLAYFORD. — The minute proceeds—

With regard to apparel, it is probable that the honorable senator will argue in the manner set out in the attached copy of his letter to the *Argus* of 4th August, 1906.

From the motion it is not clear whether the honorable senator wishes to omit apparel and jewellery altogether from the Regulations, or that he only objects to the additional particulars required by Regulation 6 (2) (d) (e) and (h) to be shown in the trade descriptions. Presumably it is the latter.

Senator Mulcahy's letter to the *Argus* goes far beyond the departmental interpretation of Regulation 6 (2) (d) and (e), which is as follows:—

The principal material only must be stated unless such principal material contains less than 90 per cent. of pure wool, in which case the substance mixed with the wool must be stated. For example:—

- (a) Hose made entirely of cotton must be described as "cotton" or "cotton hose."

That is exceedingly reasonable.

objection in the world.

Senator PLAYFORD. — The minute goes on—

(b) Hose containing 75 per cent. of pure wool and 25 per cent. of cotton must be described as "wool and cotton." Since wool is the principal material in this case, it must be stated, but as there is less than 90 per cent. of pure wool in the material, the presence of cotton must be stated. See Regulation 6 (a) (e).

Senator MULCAHY.—What is the use of that?

Senator PLAYFORD. — Of course, I know that, in the opinion of the honorable senator, there is no necessity for the Commerce Act, and therefore the regulations are all useless.

Senator MULCAHY.—I do not say anything of the kind.

Senator PLAYFORD.—It is considered that importers should give a true description of the goods which they import.

Senator MULCAHY.—Why?

Senator PLAYFORD.—There may be a difficulty in giving a description when goods are composed of a variety of materials, but, at all events, whatever description is given should be true. A material consisting of cotton and wool should not be described as "bearskin," but as imitation bearskin, and the same remark applies to imitation seal skin, and similar goods. The Comptroller-General continues his minute—

(c) Hose containing 90 per cent. or over of pure wool may be described "wool" or "all wool," as the maker pleases, without mention of any substance that may be mixed with the wool.

Examples (b) and (c) only affect apparel made from materials containing wool. In all other cases example a only applies, i.e., that the name of the principal material only must be stated, e.g., lady's silk jacket, in which silk is the principal material, the description would be "silk jacket," without reference to trimmings, &c.

The Department has had illustrations of the necessity for some such provisions as those in the proposed regulations.

Senator Mulcahy may reassure himself that the Department will not unduly harass merchants in seeing that the intentions of Parliament are properly carried out.

As Senator Mulcahy has decided not to ask for any interference in the case of jewellery, I shall not read what the Comptroller-General has to say on that point. I know that the Minister of Trade and Customs is exceedingly anxious that these regulations shall not in any way unnecessarily hamper importers; all that he de-

be truly described. It is not intended that every little particular shall be given, but that the principal materials used shall be named. The Minister of Trade and Customs has intimated to me that he will be only too pleased to talk over the matter with Senator Mulcahy, and to lay before his colleagues any reasonable requests or suggestions made by that honorable senator. I think Senator Mulcahy will see that there is no necessity to further proceed with the motion.

Senator STYLES (Victoria) [3.35].—As it was at my instance that jewellery was included within the operation of the Commerce Act, I feel called upon to disagree with Senator Mulcahy's proposal to strike out the regulations in this connexion. I understand that Senator Mulcahy does not desire his motion to embrace jewellery.

Senator MULCAHY.—That is so.

Senator STYLES.—And that is a very proper step, because there is being imported into New South Wales, and I suppose other States—

The PRESIDENT.—If Senator Mulcahy desires to amend his motion so as not to comprehend jewellery, where is the necessity for Senator Styles to proceed as to jewellery?

Senator STYLES. — It is within the knowledge of the Government that there was being imported into New South Wales, and, no doubt, into other States of the Commonwealth, jewellery which was represented as being of 9-ct. gold, but which, when analyzed, was found to be of 3-ct. gold.

The PRESIDENT.—Does the honorable senator think there is much use in discussing that question if Senator Mulcahy's motion does not refer to jewellery?

Senator STYLES.—If the motion does not deal with jewellery I do not think I need proceed further.

Senator MULCAHY.—I ask leave to amend the motion by including jewellery amongst the articles to which, in my opinion, the regulations ought to refer.

Motion amended accordingly.

Senator PEARCE (Western Australia) [3.38].—As to cotton and woollen goods, Senator Mulcahy has not, in my opinion, advanced a single argument why they should not be brought within the regulations. The honorable senator drew attention to the fact that, if the hose of the character he displayed here is mainly of wool, it has to be so labelled.

Senator MULCAHY.—That is not the objection.

Senator PLAYFORD.—The complaint is that the quality is not permitted to be described.

Senator PEARCE.—But quality depends very often on workmanship as well as on the material; and the purchaser must determine the point for himself. If there are three qualities of goods, but all are made of wool, the purchaser has a guarantee that, even if he buys the worst quality, he gets wool.

Senator MULCAHY.—There is no such guarantee.

Senator PEARCE.—There will be, if the law is carried out.

Senator MULCAHY.—Yes; if the law is extended by the State application of it.

Senator PEARCE.—At any rate the importer has a right to be protected.

Senator MULCAHY.—The importer can take care of himself.

Senator PEARCE.—Importers are not experts in all things. Senator Mulcahy has not shown that the regulations impose any burden or inflict any evil on the community. What he has shown is that it is very necessary for the States to supplement this legislation, in the same way as they supplemented the secret commissions legislation passed by this Parliament. Several of the States have passed Secret Commission Acts, with the result that within those States there is a perfect chain of legislation to deal with the evil. If the honorable senator has made out a good case at all, it is in favour of States legislation of the kind to insure that the descriptions shall be retained on the goods in the retail shops, which would give a guarantee to both wholesale and retail customer. There is another strong objection which applies to the whole motion. We are asked, under cover of this motion, to practically repeal the Commerce Act.

Senator MULCAHY.—No.

Senator PEARCE.—That would be the effect if the motion were carried.

Senator MULCAHY.—I intimated that if the present series of regulations, or some of them, were withdrawn, the Minister could frame other regulations more simple and just as effective.

Senator PEARCE.—It seemed to me that the honorable senator's arguments were all in the direction of showing that any regulations in regard to these particular articles will be futile and unnecessary.

This legislation depends, for the observance of the spirit of the law, on regulation and administration, and the Senate would be very ill-advised, in the absence of any proof of evil or injury, if it repealed the regulations. Senator Mulcahy proposes that we should repeal the regulations relating to apparel, while retaining the regulations relating to food and drink. Apparel may be just as harmful to health as good food and drink. Some doctors tell us that certain people should never wear wool next the skin, and that, in some cases, especially in a climate such as this, it would be fatal to wear cotton.

Senator MULCAHY.—Importations of food and drink are different, because they are more standardized.

Senator PEARCE.—I think there is a similarity. As to removal of the marks, the same objection would apply to imported seeds, manure, and to food and drink. I trust the Senate will not agree to the motion, which, as I say, would practically mean the repeal of the Commerce Act.

Senator PULSFORD (New South Wales) [3.43].—I very much doubt whether honorable senators at all grasp the onerous character of these regulations with regard to the trade to which Senator Mulcahy has referred. I have seen invoices of drapery extending over many pages; and a shipment may consist of from 100 to 300 different classes of apparel.

Senator MCGREGOR.—If we do not grasp the matter, does the honorable senator grasp it?

Senator PULSFORD.—Yes.

Senator MCGREGOR.—Then the honorable senator is a very wise man—I suppose the only wise man in the Senate.

Senator PULSFORD.—I doubt whether honorable senators are aware of the enormous number of items—

Senator MCGREGOR.—The honorable senator has a cheek to tell us that we cannot grasp the matter.

Senator CLEMONS.—Is Senator McGregor in order in making that remark?

The PRESIDENT.—I do not think that "cheek" is a proper word to use in this connexion. Of course, I think that, perhaps, Senator Pulsford, to a certain extent, brought the remark on himself when he assumed that he knew all about the matter and that nobody else did. I ask Senator McGregor to withdraw the word.

Senator MCGREGOR.—I do not know what word I have to withdraw.

The PRESIDENT.—I did not myself hear the statement, but I understand that the honorable senator said that Senator Pulsford had the "cheek" to say something or other.

Senator MCGREGOR.—No; I said it was "cheek" to assume that we knew nothing, and that the honorable senator knew everything.

The PRESIDENT.—Surely that is the same thing.

Senator MCGREGOR.—If it is offensive to the honorable senator I withdraw the expression; but I should like him also to withdraw the insinuation that nobody but himself knows anything.

Senator PULSFORD.—I think the exact words I used were that I thought that honorable senators did not perhaps grasp the situation.

Senator MCGREGOR.—Well, I thought that the honorable senator had a "cheek" to say that.

Senator PULSFORD.—Very well, we will let it stand at that.

Senator MULCAHY.—I rise to a point of order. I do not think that Senator McGregor should be allowed to repeat what you, sir, have just ruled to be out of order.

The PRESIDENT.—I think the matter had better be allowed to drop.

Senator PULSFORD.—I presume that there are various matters on which Senator McGregor may be the best authority in the Senate. Any person may possess more complete knowledge of certain matters than is possessed by some other persons. The very simple suggestion I made was that honorable senators might not perhaps have grasped the full consequences of this matter. I went on to say that a shipment of drapery might cover several hundred descriptions of drapers' goods. To require that each one of these should be specifically and accurately described would be to impose on those handling the goods an amount of work which perhaps is not quite understood. That is the point I desire honorable members to consider. If any one imports a shipment of seeds of a particular kind, it is a very easy matter to describe them, but if a wholesale or retail draper imports a shipment that covers 300 or 400 descriptions of drapery goods, it is obvious that there might be a great mass of work involved in meeting the requirements of the Customs in regard to those goods. While insisting upon

honesty, I think we should not needlessly add to the labours of the mercantile people of the Commonwealth. This is the ground on which Senator Mulcahy asked that these regulations should be suspended, or, at all events, that they should not be enforced for the present, but should be reviewed with the object of securing modifications in them which will render them less burdensome to traders.

Senator MULCAHY (Tasmania) [3.49].—I have no desire to prolong the sitting of the Senate, and as Senator Playford has given some kind of assurance that by an approach to the Minister of Trade and Customs some modification or improvement in these regulations may be brought about, I am satisfied that that is an indication of the possibility of some pacific settlement of the trouble.

Senator MILLEN. — Does the honorable senator regard it in that light?

Senator CLEMONS.—This is the last day on which the honorable senator can act effectively.

Senator MULCAHY.—The Minister of Trade and Customs can act on any day, and I am aware that this is the last day on which we can effectively protest.

Senator MILLEN.—Has the Minister of Trade and Customs shown any disposition to revise the regulations?

Senator MULCAHY.—I believe that the Minister of Trade and Customs is disposed to look into the matter with the view to making the regulations less burdensome, if he can see his way to do so. That being so, I think that it is better that I should withdraw my motion than that a majority of the Senate should affirm that the regulations to which I object should be continued, which I think is the only alternative. In the circumstances, I ask leave of the Senate to withdraw my motion.

Motion, by leave, withdrawn.

ADJOURNMENT.

MAIL SERVICE TO EUROPE: TARIFF COMMISSION REPORTS: DISTRIBUTION OF PAPERS.

Motion (by Senator PLAYFORD) proposed—

That the Senate do now adjourn.

Senator MILLEN (New South Wales) [3.52].—I should like to ask the Minister of Defence the question of which I gave notice, and which I was not in time to ask this

morning. I desire to ask the Minister representing the Postmaster-General—

1. Whether he has any information bearing upon the statements in the following cablegram appearing in the *Argus* of 29th inst. :—

Sir Joseph Ward said—"The High Commissioner will be instructed to enter into negotiations in order to arrange that the steamers now being built for the Commonwealth mail service shall come direct from Adelaide to New Zealand."

2. If so, will he impart it to the Senate.

I understand that the honorable senator is in possession of the answer to the question, and perhaps he will be good enough to impart it to the Senate now.

Senator PLAYFORD.—The matter is in the hands of my honorable and learned colleague.

Senator CLEMONS (Tasmania) [3.53].—As we are likely to adjourn a few minutes before the usual hour, and I shall not therefore unnecessarily detain any one, I take advantage of the opportunity to refer to a matter with which I dealt at an earlier hour this morning. I wish to ask the Minister of Defence if, before Tuesday next, he will seriously consider the question of giving the Tariff Commission some instructions, on behalf of the Government, as to their future work and conduct. I wish to put before the Senate the position in which the members of the Tariff Commission are placed. As every one knows, we have had a very hard task to get through, and, without going into detail, I may say that we have had to work almost continuously for eighteen months. We now find ourselves in this position: that, in the closing days of a busy session of this Parliament, it is possibly necessary and desirable that we should bring forward fresh reports for the consideration of Parliament. If we could get any intimation from the Ministry, on whom rests a responsibility which, I think, they should not shirk, the members of the Tariff Commission would do their utmost, in spite of the extra pressure which must necessarily be put on six of them who are members of Parliament, to present further reports for the consideration of Parliament.

Senator PLAYFORD.—Does the honorable and learned senator not think that Sir John Quick, the chairman of the Commission, might ask these questions in another place, where they could be answered by the Prime Minister? The honorable senator is asking me questions which, as a subordinate

member of the Ministry, he cannot expect me to answer.

Senator CLEMONS.—I said at the outset that I took the opportunity of asking these questions, or of bringing these matters under the notice of the honorable senator to-day, so that he might have an opportunity of discussing them with the rest of the Cabinet before giving an answer to them on Tuesday.

Senator PLAYFORD.—I did not understand that.

Senator CLEMONS.—The members of the Tariff Commission who are also members of Parliament have much to do during the remainder of the session; but whatever demands may be made upon their time they are prepared, if it is desirable, and if Parliament will have an opportunity to consider their work, to do what they can in order to submit further reports. I think I speak for every member of the Commission, although I have no authority from them to do so, when I say that the Tariff Commission consider that, having in view the fact that the session is likely to close at the end of next month, or shortly afterwards, and having regard to the public business to be submitted for the consideration of Parliament, the Government should say distinctly that they cannot undertake to ask Parliament to do more than a certain amount of work. If they would do that, the Tariff Commission would be relieved of their responsibility of doing work which really is beyond the ordinary capacity of men at the present time in giving attention to public business in Parliament as well as to the presentation of these reports. If Ministers would say that certain reports would be submitted for the consideration of Parliament, the members of the Tariff Commission would do their utmost, even though they should have to work on Saturday and Sunday to present further reports. That would be done by them, irrespective of the party views which they may hold, but they feel that they should not be called upon at this time to do work which might, and probably will, be of no immediate value; that is to say, to prepare and send in reports which Ministers recognise cannot possibly be submitted to Parliament for consideration this session. This matter was referred to last night by Senator Higgs, and that should be sufficient to prove that what I say has no party bearing whatever. It is simply a request made practically by six members

of the Commonwealth Parliament that Ministers should undertake a responsibility which no one on either side will blame them for accepting. I hope that on Tuesday next Senator Playford will be in a position to give the information desired. I trust that in what I have said I have put the position in which the members of the Tariff Commission find themselves at the present time clearly and precisely.

Senator PLAYFORD.—I think that the matter should form the subject of a written communication between the Tariff Commission and the Government.

Senator CLEMONS.—I prefer to put the position publicly on the floor of the Senate.

Senator PULSFORD (New South Wales) [3.56].—I wish to direct the attention of the Minister of Defence to the fact that the papers connected with the important Tariff proposals now under the consideration of Parliament have been distributed to the members of the House of Representatives, and have not, so far, been distributed to honorable senators. I admit that Senator Keating was courteous enough to have a typed copy of one of the papers handed to me, but the printed papers, copies of which I have obtained from a member of the House of Representatives, are not, I understand, available to members of the Senate.

The PRESIDENT.—That is not the fault of the Ministry, but, if there is any fault, rather of the officers of the Senate, whose duty it is to deal with the distribution of papers.

Senator PULSFORD.—I wish to put the responsibility on to somebody. I should be glad if the Minister would find out where the blame lies in order that what I object to might be rectified in future.

Senator KEATING (Tasmania—Honorary Minister) [3.57].—In reply to the question asked by Senator Millen, I may say that the formal answer supplied to his question as appearing on the notice-paper is—

The Postmaster-General has no information bearing upon the subject referred to.

I might say in addition to that that Senator Millen has possibly noticed, in a subsequent issue of the newspaper to which he has referred, the report of an interview with the Postmaster-General on the subject. The Minister is there reported to have stated that he had received no official

communication of the kind, and that the information came to him for the first time in the announcement appearing in the newspaper, as it did to every other reader of the newspaper. The honorable gentleman is also reported to have expressed a doubt as to whether any such arrangement was being made, and gave some reasons for that doubt, amongst others, that the contractors have given an undertaking to call at Sydney and Melbourne, and further, that it is impossible under the terms of the contract for them to enter into any arrangement to carry mail matter for any other country than the Commonwealth, whilst the poundages received in connexion with such mail matter would belong, not to the company, but to the Commonwealth. I have not had an opportunity to interview the Postmaster-General to ask him whether the statements attributed to him in this connexion are correct, but I have every reason to believe that his views have been correctly reported.

Question resolved in the affirmative.

Senate adjourned at 4 p.m.

House of Representatives.

Friday, 31 August, 1906.

Mr. SPEAKER took the chair at 10.30 a.m., and read papers.

PERTH-FREMANTLE CABLES: WAGES.

Mr. CARPENTER asked the Postmaster-General, *upon notice*—

1. Is it a fact that men employed by his Department in laying cables between Perth and Fremantle are being paid only 7s. per day—the recognised rate for such work in Western Australia being not less than 1s. per hour?

2. Is the payment of this reduced rate being made with his knowledge or consent; or will he give instructions that the recognised minimum wage be paid?

Mr. AUSTIN CHAPMAN.—Inquiry is being made, and answers will be furnished as soon as possible.

MILITARY CLERKS.

Mr. CHANTER asked the Minister representing the Minister of Defence, *upon notice*—

1. In view of the Attorney-General having given his opinion, that military clerks are not

Minister for Defence in the Senate on the 12th September, 1905, that they (the military clerks) had a very just cause of complaint in not being classified under the Commonwealth Public Service Act—Is it the intention of the Government to introduce legislation this session to bring them under the Public Service Act?

2. If not, does the Government propose to make some provisional arrangement such as that suggested by the honorable member for Werriwa this House on the 31st October, 1905, to meet what the military clerks regard as the injustice of their position?

Mr. EWING.—The answers to the honorable gentleman's questions are as follows:—

1. In view of the pressing and important business requiring the attention of Parliament, it is not possible to introduce legislation on the subject this session.

2. Being expressly excluded from the provisions of the Public Service Act, no provisional arrangements, even if such were desirable, can be made.

MAIL SERVICE TO EUROPE.

Mr. PAGE (for Mr. WILKINSON) asked Postmaster-General, *upon notice*—

Whether he is correctly reported in the *Age* paper, of the 30th instant, as having said, in regard to the new mail contract—"I know nothing of any negotiation with New Zealand, far as the suggestion that the vessels should sail straight from Adelaide to New Zealand, I do not think there is anything in that at all. In the first place, we have a written pledge in the letter from the contractors to the effect that Melbourne and Sydney will be ports of call. Indeed, I expect the boats to call at both ports. I hope Brisbane, too. Besides the written pledge to call at Melbourne and Sydney, there is a clause in our mail contract which has an important bearing on this business. It is a clause and the last portion is very pertinent to the development?"

If that statement is correct, was the pledge given voluntarily, or was it exacted, and was it before or after the contract was entered into?

Would such an obligation make the service more than a purely mail service, and would the Government be affected thereby?

AUSTIN CHAPMAN.—I have not time this morning to look at the paragraph referred to; but I shall endeavour to give the honorable member an answer Wednesday next.

PREFERENTIAL BALLOT BILL.

SECOND READING.

Reading resumed from 28th August (*vide* 1486), on motion by Mr. GROOM—

That the Bill be now read a second time.

way of amendment—

That all the words after the word "That" be left out, with a view to insert in lieu thereof the words:—

"it is not expedient to proceed further with this Bill during the present session for the following reasons:—

1. A general election is imminent, and there is consequently not sufficient time for the proper consideration of the measure, or for making the necessary electoral arrangements if the Bill became law.
2. The proposals contained in the Bill are crude and incomplete.
3. No provision is made for increasing the total number of votes polled, or for effective voting.
4. The question has not been considered by the constituencies."

Mr. TUDOR (Yarra) [10.33].—I am anxious that a vote shall be taken on this Bill, so that we may see who are in favour of the principle which it embodies, and who are opposed to it. Every honorable member has at some time expressed himself as desirous of procuring majority rule, and whether the Bill, if passed into law, would achieve that end can be known only by practical experience.

Mr. JOSEPH COOK.—The Government said last night that they would go on with the Referendum Bill this morning.

Mr. DEAKIN.—No; with the Preferential Ballot Bill.

Mr. TUDOR.—I understood the Prime Minister to say last night that he would this morning proceed with the Preferential Ballot Bill. It has been suggested by some honorable gentlemen that, instead of providing for the preferential ballot we should adopt the second ballot; but I cannot see that we should obtain from the second ballot a result differing from that which would be obtained from the preferential ballot. I think that a smaller number of electors would take part in the second ballot than would take part in the first ballot, so that the system of the second ballot, in addition to being more costly than the preferential balloting system, would give the result of a smaller number of votes. It has been objected that the Bill makes the adoption of preferential voting optional, and does not apply the principle to Senate elections.

Mr. WILKS.—Does the honorable member think that the measure will become law?

Mr. TUDOR. — No, because certain honorable members who profess to believe

in it are willing to make any excuse for voting against it.

Mr. PAGE.—To whom does the honorable member refer?

Mr. TUDOR.—The honorable member for Dalley has moved an amendment which, while it declares in favour of the principle of the measure, raises the objection that the time is inopportune for embodying it in legislation. That is always the cry of the Opposition when proposals for legislation are brought forward. I admit that the measure is being discussed very late in the session, and that if it is passed there will be hardly sufficient time to provide for its administration. We are told that the electors would not be able to get a grip of the system if it were applied to the next election; but I think that they are intelligent enough to do so. At the last election, we adopted an entirely new system. Previously, the electors in nearly every State had been accustomed to strike out the names of the candidates for whom they did not desire to vote; but at the last election they were required to place a cross in the square opposite the name of the candidate whom they wished to elect. At the forthcoming election, the squares will be placed on the right hand instead of at the left hand of the candidates' names, and under the system provided for in the Bill electors would be asked to indicate the order of their preference by numbers placed in those squares, or if they preferred, by placing a cross opposite the name of the candidate for whom they voted. I admit that it is inconsistent for Parliament, having made it compulsory that, in the Senate election, electors shall vote for three candidates, to make the preferential system optional. I opposed the provision which requires electors to vote for three candidates in the Senate election, because I thought that they should be allowed to vote for only two candidates, or even for one, if they did not wish to vote for more.

Mr. THOMAS. — The Labour Party gained two senators by the system adopted.

Mr. TUDOR. — Yes; and no doubt those who were responsible for the adoption of that system are sorry for it now. Like a number of other schemes for dishing the Labour Party, it did not work out as it was thought it would.

Mr. JOSEPH COOK.—Is this a scheme to dish the Labour Party?

Mr. TUDOR.—If honorable members opposite thought that it would have that effect they would support it.

Mr. JOSEPH COOK.—Quibbling again.

Mr. TUDOR.—If I were in the habit of quibbling, as the honorable member is, I should never do anything else. I believe that the electors will readily understand the preferential system of voting, and that fewer informal votes will be cast under it than under the old New South Wales system. In Victoria preferential voting has been tried, in connexion with the selection of labour candidates for the House of Representatives and the Senate. I have here a copy of the ballot-paper used. Professor Nanson, in speaking of one of these ballots, stated that the preferential system had received a setback, because in March last it took more than a month to ascertain the result of the voting; but he claimed that he could have ascertained the result in four hours. I was connected with the ballot in question, and was present during the greater part of the time that the count was going on. The actual count of ballot-papers did not take much more than a week. We had, however, to obtain returns from branches scattered all over Victoria. All the ballot-papers issued, used and unused, had to be counted to make sure that the balloting had been conducted in a straightforward manner. The Labour Party's system is different from that adopted by some of the other parties. Evidently machine politics is being introduced on the other side, at least so far as Victoria is concerned; but we find that a candidate who was alleged to have been indorsed by his party, a certain Mr. Brown, is now ordered to stand down in the interests of someone else. The executive, which meets in Collins-street and pulls the strings, has no doubt decided that he is not good enough. Every candidate chosen by the Labour organizations, however, is permitted to go to the poll. No such candidate would be asked to stand down in the interests of someone else. Professor Nanson, in an article on the preferential ballot which appeared in the *Age*, gives as an illustration an election in which the result of the first count showed the strength of the free-traders to be 500, of the Labour Party 400, and of the protectionists 300, and says that as soon as these figures were announced the merest tyro could foresee the result of the election. He declares that—

When the protectionist candidate at the foot of the poll is rejected, all the protectionist votes will go to the Labour candidate, who will thereby secure election.

Professor Nanson is himself a tyro, so far as practical politics is concerned, as that remark shows. There is now running in the protectionist interest, as a candidate for the Senate, a Mr. Charles Atkins, who is in favour of a high Tariff and freedom of contract. Will any one say that the votes which would be cast for him would have been cast for a Labour candidate, if he did not stand? He is the man who, when the Trade Marks Bill was before the House, used to supply the members of the Opposition with information which might assist them in defeating the union label provisions, and he acted similarly when the Conciliation and Arbitration Bill was before us.

Mr. JOSEPH COOK.—What nonsense. I have never received a communication from him in my life, and I do not think that any one else has.

Mr. TUDOR.—I know that he took this action. I have it on the authority of a member of the Opposition, who is not present—a failing with the Opposition generally.

Mr. JOSEPH COOK.—The honorable member is a perky little man.

Mr. KELLY.—I object to the honorable member for Yarra being called perky; that is my privilege.

Mr. TUDOR.—The honorable member for Parramatta cannot help saying what he does. It is natural for the honorable member to insult any one who may happen to be on his feet. He cannot keep the peace even with members on his own side of the Chamber. When the honorable and learned member for Parkes was speaking the other evening, the honorable member for Parramatta engaged in a wordy warfare with him — presumably because he was not “playing speaks” with the honorable and learned member—until you, sir, put a stop to the personal interchanges.

Mr. JOSEPH COOK.—I am bound to give a denial to the honorable member's untrue statements.

Mr. SPEAKER.—The honorable member must withdraw that remark.

Mr. JOSEPH COOK. — I withdraw the word “untrue,” and substitute the word “incorrect.”

Mr. TUDOR.—I say that it is correct that the candidate who has been selected by the Protectionist Association—

Mr. SPEAKER. — Will the honorable member please discuss the Bill.

Mr. TUDOR. — As it would be quite competent for the Senate to make the measure applicable to the election of members of that Chamber, I desired to point out how the voting would probably take place.

Mr. SPEAKER.—I did not call the honorable member to order on account of any references of that kind, but owing to his allusion to extraneous matters, and to certain remarks which have been withdrawn.

Mr. TUDOR.—It has been stated that the time occupied in the counting of the votes at an election under the contingent voting system would be so great that the result could not be announced within a reasonably short period. It has also been shown that the contingent vote has not been exercised in Queensland. The electors can hardly be blamed for failing to cast a preferential vote if it is optional upon their part to exercise it. I admit that if the preferential voting system were adopted in connexion with the Senate elections, I should have some difficulty in deciding how I should express my preference, after casting my primary votes for three candidates. I could not very well give any kind of vote to a candidate who has declared that he is opposed to all labour legislation of whatever kind, nor could I support a candidate who has absented himself from the Chamber in order to avoid the necessity of recording his vote when certain divisions were impending, or one who has expressed himself in favour of imposing a duty upon kerosene and remitting the duty upon beer. In the examples which have been given by the *Age* to illustrate the operation of the new system of voting, the Labour representative has occupied the position of the defeated candidate in every case. I can quite believe that if the supporters of the Labour candidate contented themselves by casting their primary votes, their opponents might, by expressing their preference, eventually secure a victory. There is no doubt that the parties opposed to that with which I am associated will in many cases combine with a view to defeat the Labour candidate. The honorable member for Corinella has more than once advised the electors to combine to defeat the Labour Party. I remember reading a speech which the honorable and learned member delivered at Colac, in which he endeavoured to show that the Labour candidates had, in the majority of cases, been

returned owing to the splitting of the votes of those who were opposed to them.

Mr. McCAY.—I did not say that. The honorable member did not show me the paper in which he said that he saw a report to that effect.

Mr. TUDOR. — No, because I found that I had given it away to some one else. Certain honorable members on the other side of the Chamber have suggested that the Protectionist and Free-trade Parties should combine for the purpose of "dishing" the Labour Party, and we know that a movement in that direction was inaugurated about two years ago.

Mr. JOSEPH COOK.—The honorable member will admit that he and others are combining to "dish" us.

Mr. TUDOR.—So far as the Labour Party are concerned, there will be no combination at the next election. They will depend entirely upon the merits of their own platform.

Mr. JOSEPH COOK.—What did the Attorney-General say at Warrnambool?

Mr. TUDOR.—I admit that according to the report of the Attorney-General's speech, he appeared to be very rapidly coming round to our way of thinking. But his position in that respect is not peculiar, because many honorable members are every day becoming more liberal in their ideas. The honorable member for Dalley, when he was proposing his amendment, suggested that we should adopt a system of self-registration, which he said would be cheaper and more effective than that now adopted, and would lead to the enrolment of a much larger number of electors. We have had a modification of that system in operation in Victoria for some time. In addition to the ratepayers on the roll, any person who desires an elector's right may apply to the registrar and obtain one. At the first Federal election in my constituency the number of electors on the roll, prepared in the way I have described, was 13,000 adult males. When a little later on the police made a collection for the purpose of compiling a new roll, over 4,000 names were added, making a total of 17,000 electors. There had not been an increase of anything like 10 per cent. in the population in the meantime, and yet the number of electors on the roll was increased by 33 per cent.

Mr. McWILLIAMS.—What increase was there in the percentage of votes recorded?

Mr. TUDOR.—It is impossible to say, because the ratepayers' roll would include the names of many persons who would be entitled to vote elsewhere. Probably, with the increased number of electors on the roll, the percentage of votes recorded would be less than formerly. I think that we should extend to the people every opportunity of exercising the franchise in such a way as to insure that this House should accurately reflect their views. I do not know whether the measure now before us would promote that object, but I think that it should have a trial. I shall, therefore, support the second reading of the Bill, and do my best to make it effective.

Mr. McWILLIAMS (Franklin) [10.56].—I candidly confess that I have a decided preference for the extension of the voting power of the electors as far as possible. But I cannot understand why an important measure such as that before us should have been introduced in the closing hours of this Parliament.

Mr. MALONEY.—You can take off a leg at the eleventh hour.

Mr. McWILLIAMS.—Just so, but I think that the more simple our system of voting is, the better it will be for the electors and for this House. If a measure of this kind had been passed in the first session of this Parliament, the electors would have had opportunities to familiarize themselves with the new system of voting. But if the Bill be passed at this stage much confusion is bound to arise. If an elector does not vote for three candidates for the Senate his ballot-paper will be informal. In the case of the election of members of the House of Representatives, however, the electors will have the right to exercise a preference, but may refrain from doing so if they choose. In all these matters we should be guided by past experience. It is admitted that the optional preferential vote in Queensland has been a failure. Personally, I think that the Labour Party have been quite right in advising their supporters not to exercise the preferential voting power. If I had an opportunity of plumping for two out of three candidates, I should certainly not throw away 33 per cent. of my voting power by giving a secondary vote to another candidate and thus run the risk of bringing about the defeat of one of those in favour of whom I had cast my primary vote. The position taken up by the Labour Party in Queensland is perfectly sound and ra-

tional, and doubtless if this Bill became law the majority of voters of all parties would refrain from expressing their preference. We know that when the hordes of Russia were being defeated by the Swedes, Peter the Great said to his men, "Go on fighting—our enemies are teaching us how to defeat them." In other words, the admirable discipline of the smaller body was impressing its lessons upon its opponents. I say that, in their system of organization, the Labour Party have set a splendid example to the rest of Australia, and it is a great compliment to their methods that those who differ from them in politics are now employing similar methods. I understand from the representatives of Queensland that, in that State, the system of allowing voters to express a preference for particular candidates at the ballot-box has been discarded by both political parties. Neither of them use it. Consequently, we are being asked at the eleventh hour of the session, when time is the very essence of the contract, to pass a Bill embodying a system of preferential voting which has already been tested in one of the States of the Commonwealth, and which has absolutely failed.

Mr. MALONEY.—Are we not paid to do some work?

Mr. McWILLIAMS. — But we might employ our time much more profitably than by enacting legislation which has so utterly failed elsewhere.

Mr. MALONEY.—Where has similar legislation failed?

Mr. McWILLIAMS.—In Queensland.

Mr. MALONEY.—Is that the only place upon God's earth?

Mr. McWILLIAMS. — It is the only State in Australia in which the system of preferential voting has been tried. The system embodied in the Bill is the very antithesis of what is known as the Hare system of voting. The honorable member for Bass supported the measure because he is an advocate of the Hare system. But the method of voting provided in the Bill is exactly the opposite of that system. The Hare system aims at securing the representation of minorities. Under it, as soon as a candidate has obtained his quota, the surplus votes recorded in his favour are distributed amongst the other candidates. The experience of the working of that system at two elections in Tasmania was such that, when an appeal was made to the country,

scarcely a single candidate advocated its continuance. The ex-Attorney-General, Mr. Clarke, who had written pamphlets in support of it, was obliged to give a public pledge that, if he were re-elected, he would not seek to re-introduce it. The aim of the optional system of preference which is incorporated in this Bill is to insure majority rule, and, if there be any virtue in it at all the exercise of the franchise ought to be made compulsory.

Mr. WILKS. — Why is the Bill introduced?

Mr. McWILLIAMS. — My opinion is that it was introduced with the idea of making the preferential system of voting compulsory, but, as the result of pressure which has been brought to bear upon the Government, an optional system has been substituted.

Sir JOHN FORREST.—Give us credit for honest motives.

Mr. McWILLIAMS.—I will. If the measure represents an honest attempt to secure majority rule, it should provide for a compulsory system of voting. So long as the preferential system is an optional one, so long we shall find that electors who vote upon party lines will not throw away a portion of their vote upon candidates other than the particular individual they desire to see returned. I was very much interested in the statement of the honorable member for Yarra that the names of 4,000 electors had been added to the rolls in his electorate as the result of a house-to-house canvass by the police. In my opinion, the persons who do not take the trouble to secure enrolment are the individuals who do not take the trouble to vote. I find that in New South Wales, at the last general election for this House, only 48 per cent. of the electors enrolled, or less than one-half, exercised the franchise. In Victoria, only 53 per cent., or a little more than one-half of those enrolled voted. Of the electors of Queensland, who hold the place of honour in this connexion, 57 per cent. voted, in South Australia 40 per cent., in Western Australia 30 per cent., and in Tasmania 45 per cent. In Western Australia, not one elector out of three took the trouble to exercise the franchise. In my judgment, parliamentary representation has now become something more than a privilege. When we conferred adult suffrage upon the people we imposed upon them a direct responsibility, and should the Bill

reach Committee, I shall endeavour to secure the insertion of a clause which will have the effect of providing for a compulsory system of voting.

Mr. CULPIN.—Is the honorable member referring to compulsory voting or to compulsory preferential voting?

Mr. McWILLIAMS.—I am speaking of compulsory voting. I would impose a penalty upon the individual who is so careless of his political rights that he neglects to record his vote.

Mr. THOMAS.—But suppose that an elector were resident twenty miles from a polling booth?

Mr. McWILLIAMS.—In that case I would increase the facilities for voting by post. I think that this House made a great mistake when it limited the area within which a person may vote by post.

Mr. THOMAS.—Would the honorable member provide motor cars to convey electors to the poll?

Mr. McWILLIAMS.—I would not.

Mr. THOMAS.—If the honorable member made voting compulsory he ought to do that.

Mr. McWILLIAMS.—Instead of providing motor cars to carry electors to the poll I would like to see something done to prevent their being conveyed to the poll by the friends of candidates, as they are at present.

Mr. THOMAS.—But the motor cars, the employment of which I suggest, should be State-owned.

Mr. McWILLIAMS.—I am glad to hear that, because I recognise that the present system of allowing vehicles to be utilized for that purpose is open to very serious objection. My idea is that we should remove every obstacle between the electors and the polling booth, and that we should then insist upon them exercising the franchise. I understand it has been arranged that the Bill shall be pressed forward until it reaches Committee, and that it will then be dropped, just as another measure was dropped last session. Should it reach Committee, I shall endeavour to introduce a provision which will render the exercise of the franchise compulsory. At the same time I cannot help expressing the opinion that to bring forward the measure at this late hour of the session is distinctly farcical, and, if the Government seriously intend to proceed with it, the best thing that we can do is to defeat it upon the motion for its second reading.

Mr. ROBINSON (Wannon) [11.13].—I regard this Bill as so much electioneering bluff, and I am glad to hear that it is not to be pressed very far this session.

Mr. HUME COOK.—The honorable and learned member has only heard that from members of his own party.

Mr. McWILLIAMS.—It is common talk in the lobbies.

Mr. ROBINSON.—The mere fact that it provides for an optional system of preferential voting shows how farcical the measure is. A representative of Queensland, for whom I entertain a very great respect, has informed me that the party with which he is identified does not avail itself of the optional system of preferential voting in that State, and has strongly advised me to see that it is discarded in my own electorate. To my mind, those candidates who have an organized party behind them would act wisely if they ignored the system. It seems to me that the Bill is a mere make believe. When we read rhetorical outbursts such as those in which the Prime Minister indulged at Maryborough, where he practically declared that the Government were prepared to die at the stake in order to insure majority rule, and when they introduce a Bill which does not attempt to secure majority rule, we are justified in saying that the measure is a miserable piece of bluff, and that the honorable and learned gentleman's rhetorical outbursts are so much political fudge. A good deal of talk has been indulged in by honorable members regarding certain Victorian constituencies. Those constituencies seem to have been specially selected because they are represented by honorable members upon this side of the Chamber. In its leading columns, the *Age* has not referred to supporters of the Government who represent minorities.

Mr. GROOM.—The Bill will apply to them as well as to others representing minorities.

Mr. ROBINSON.—Quite so; but I am simply pointing out that the shocking examples selected by the *Age* are taken only from this side of the House. I propose to quote from the *Sydney Worker* a paragraph relating to the poll at the last Senate election. It is said that the country will go to the dogs if preferential voting be not at once adopted. The *Worker* writes—

The *Age* was particularly silent with regard to the last Senate election, where labour made such

a good showing. That showing is best illustrated by giving the *Age*, the *Argus*, and the Labour candidates. On looking at the results it will be seen that whilst the *Age* quartette scored the least number of votes, two of their nominees (Best and Styles) got in, whilst Labour, which scored 9,000 more votes, only got one senator (Findley) returned:—

LABOUR.			
Findley	...	...	88,614
Solly	...	...	80,593
Barker	...	...	76,039
Lemmon	...	...	73,245

318,491

ARGUS.			
McIntyre	...	...	84,699
Derham	...	...	81,912
Templeton	...	...	74,062
E. Smith	...	...	71,875

312,548

AGE.			
Best	...	...	97,693
Styles	...	...	85,287
Dow	...	...	68,123
McCulloch	...	...	58,284

309,387

The Labour candidates averaged 79,623 votes each, the *Argus* candidates 78,137 votes, and the *Age* candidates only 77,347. If the system proposed in this Bill had been in operation at the last election for the Senate, the result might have been different.

Mr. TUDOR.—The Labour Party would have secured the return of two candidates.

Mr. ROBINSON.—Undoubtedly. If the scheme propounded in this Bill is of any value, the contingent vote ought to be compulsory, and should apply also to elections for the Senate. A Bill of this kind, which does not attempt to provide for the compulsory exercise of the contingent vote, but merely sets forth that the elector may, if he chooses, mark his preference on the ballot-paper, is so much fudge, and it is only a waste of time to seriously debate it. There is one part of the amendment moved by the honorable member for Dalley with which I agree. I allude to the reference in it to the fact that we are on the eve of a general election, and that it is absolutely impossible to coach the Electoral Department and the electors themselves in the new system before that election takes place. The Federal electoral system is vastly different from that to which the electors were previously accustomed. At the last general election it was responsible for many informal votes, and for appeals to the High Court, which subjected two or three candidates to very serious expenditure. Just as

the people are beginning to understand the working of that system, however, a proposal is brought forward that, so far as elections for the House of Representatives are concerned, it shall be discarded. If we adopted the Bill we should offer a premium to the casting of informal votes, and the only result would be a repetition of our experience at the last general election, when several seats were challenged on technical grounds. These facts should make us chary about adopting the Bill. If its provisions had been embodied in the Electoral Bill that was dealt with last session they might have been threshed out, and thoroughly understood by the electors, but I feel that we are unable properly to deal with the question at this stage. Even if the amendment is rejected, I think that we may rely on the good sense of the Parliament to see that the Bill is not passed. I hope that honorable members on both sides of the House will take care that what is an incomplete and to a large extent a farcical proposal is not placed on the statute-book. The evil which it is intended to cure is not very serious. If it could be cured we ought to cure it; but I hold that this Bill does not really attempt to remedy it. The Ministry are practically prescribing a bread pill for what they say is a very serious disease, and I do not know that bread pills, whether administered by the Deakin Government or any other body of political physicians, are likely to prove beneficial. I do not hesitate to say that it is considered by the Government that the Bill will save the seats of certain honorable members who are to be opposed both by Opposition and Labour candidates. It is thought that the supporters of those candidates may record their second preference for the Government nominees, and thereby enable them to save their seats. Majority rule may be most speedily secured under an arrangement that only two candidates shall contest each electorate. Under such an arrangement we should have a straightout fight, and would have no difficulty in determining which party had a majority of votes behind it. The Labour Party have gained their strength by means of well-organized and closely-knit forces, and those who do not believe in their programme should in that respect follow their example. They should adopt that course rather than endeavour to secure seats by refraining from taking decided action with

respect to certain political questions, and making concessions to both parties in the hope of securing second preferences which will enable them to save their political skins. This Bill is only a "make-believe," on the part of the Government, and I hope that if the amendment moved by the honorable member for Dalley be not carried, the Bill itself will be rejected.

Mr. CAMERON (Wilmot) [11.23].—As one of the few members who have had any experience of preferential voting—or what is really the Hare-Clark system—I may say at once that I am a thorough believer in it. Properly carried out, it is one of the best systems that could be adopted in connexion with general elections for the Commonwealth Parliament. Although the Hare-Clark system had been applied for some time previously to State elections in Hobart and Launceston, it was not until the holding of the first Federal election in Tasmania that it was extended to rural electorates. But although, unfortunately, many of the more elderly people there, as elsewhere, have not been so well educated as are the younger members of the community, remarkably few mistakes were made. A system of that kind—a system that I have always advocated—is a good one; but that proposed in this Bill is a hybrid. I think that the exercise of the contingent vote should be made compulsory. The fact that the Government propose that it should be optional is sufficient to satisfy any disinterested party that the Bill has been introduced for one purpose, and for one purpose only.

Mr. THOMAS.—For the sake of majority rule.

Mr. CAMERON.—I think not; I believe that it has been introduced to enable the Government to increase their strength at the next general elections.

Mr. THOMAS.—The honorable member would not blame them for that.

Mr. CAMERON.—I am not prepared to say that I should at any time blame a man for endeavouring to save his political skin, but when a Minister introduces a Bill of this kind, I think that he ought to tell us plainly that it is designed not for the good of the community as a whole, but to save the political skins of certain honorable members. It must be apparent that the Government, in proposing that the exercise of the contingent vote should be optional,

have but one object in view. They know that in many cases their candidates will be opposed by representatives of the Opposition and of the Labour Party, and that in nine cases out of ten the unionist will not cast a contingent vote. They also know what are the tactics usually adopted by the Labour Party when they discover at the last moment that their candidate is not likely to be successful. In such circumstances the Labour leaders would probably say, "We cannot secure the return of our man for this electorate, and the Opposition are of no use for our purpose. We can, however, squeeze the Ministerial candidate, and perhaps we had better chuck him a vote." That happened a few years ago in connexion with the election for Denison. The Labour Party on that occasion preferred the present representative of Denison to myself, and a large number of them voted for him at the last moment. Whether this Bill be passed or rejected it will always be open to the party to adopt such tactics; but I appeal to honorable members to say what useful purpose this Bill will serve unless the system which it embodies is made compulsory. I am not prepared to say that if it were made compulsory I should not, at all events, give it my serious consideration. If we provided that every elector must vote for the full number of representatives for his electorate, the contingent vote would be compulsory.

Mr. BAMFORD.—That principle applies to the Senate elections. The electors must vote for the full number of representatives to be elected.

Mr. CAMERON.—But as a rule the candidates for the Senate run on "tickets." As none of the States except Tasmania has had practical experience of this system, it would probably be advisable to postpone its adoption until after the next election. If the Minister of Home Affairs will withdraw the Bill, and, next Parliament, introduce another making the preferential system compulsory, I shall, if I am here, support it, and I should give even stronger support to a measure embodying the Hare-Clark system. My desire is that the majority of the electors in each division shall be represented in Parliament. We have, in this House a signal, and, for the members of the Opposition, a painful example of the evils of minority rule.

Mr. LIDDELL.—The honorable member believes in a minority of one.

Mr. CAMERON.—Even if the majority is a majority of one, and on the occasion referred to the majority was a very good one, that is better than the rule of a minority, such as we are getting at the present time as the result of the alliance between the Government and the Labour Party.

Mr. THOMAS (Barrier) [11.33].—I am opposed to the Bill, and shall not hesitate to do all I can to wreck it. While, no doubt, we are all desirous of establishing majority rule, the effect of the Bill would not be to secure it. In my opinion, its tendency would be to give us minority rule in more instances than occur at present. Under the existing system, in divisions where party feeling runs high, the attempt is made to keep back unnecessary candidates. A weak party often refrains from putting a candidate into the field, knowing that it is unlikely that that candidate will be elected, and, fearing that, by splitting the voting, it may bring about the election of a candidate to which it is absolutely opposed. Under the preferential system, however, every party would be likely to put forward a candidate, because the chances of weak parties would be increased. An objection which has been urged against the Bill is that it makes the adoption of preferential voting optional, and not compulsory. I take it for granted that the Government desire majority rule, though, of course, I have my private opinion on the subject. To my mind, we get majority rule practically only when the majority holds definite opinions on certain questions. But, although some honorable members object to the Bill because it makes preferential voting optional, and say that they would support the measure if the system were compulsory, I should then resist it even more strenuously, if possible, than I shall under present circumstances. I am not opposed to compelling electors to go to the poll, and I think that if we had compulsory voting, penalizing electors who did not go to the poll, it would play into the hands of the Labour Party. A large number of those who at present take no interest in politics, sympathize with the Labour Party, and would, if they voted, vote for Labour candidates, while there are others who would certainly do so, but are prevented by their employers from going to the poll. Compulsory voting would bring about the recording of the votes of all such persons. But I should strongly object to the electors being compelled to vote for any one or any number of the candidates,

because some electors might be opposed to every candidate nominated. Under the present system an elector is not compelled, even if he goes to the poll, to vote for any candidate, because he can make his ballot-paper informal. At the first Federal election, there were three candidates for Parkes. One of them was the present representative of that division.

Mr. LIDDELL.—I suppose that the honorable member had little hesitation about voting for him.

Mr. THOMAS.—I could not vote for him, because, while I agree with him on some points, there are many points upon which I differ from him. The second candidate was a protectionist, who may have been in favour of protection and freedom of contract, as Mr. Charles Atkins announces himself to be; but, at any rate, I did not feel inclined to vote for him. The third candidate was announced as a Labour man; but he had not been indorsed by the executive, and I knew nothing of him. I went to the poll, however, because there were two Labour candidates for the Senate, and, while handing in a formal ballot-paper for the Senate election, I made my other ballot-paper informal by scratching out every name on it.

Mr. McLEAN.—I have heard of an elector scratching out the names of all the candidates on the ballot-paper and writing in his own.

Mr. THOMAS.—With compulsory voting, the elector should be able to deal as he likes with his ballot-paper; but if, on the occasion to which I refer, the compulsory preferential system had been in force, and there had been a Labour candidate for the electorate of Parkes, I should have been compelled to vote for that candidate, and, to make my vote formal, to show a preference for the remaining candidates, none of whom I wished to vote for.

Mr. McCAY. — The honorable member would bring the horse to the water, but would not make it drink.

Mr. THOMAS.—I object to the compulsory preferential system for the reasons which I have given. Another objection to the measure lies in the fact that its provisions do not apply to the Senate. In answer to a question asked by me during his second-reading speech, the Minister said that he had no objection to the measure being made applicable to Senate elections by the members of that Chamber, if they chose to amend it in that direction.

But is not this a Government measure, and do not the Government profess to be anxious to secure majority rule?

Mr. McCAY.—That is what they are not anxious for.

Mr. THOMAS.—Ministers tell us that they are in favour of majority rule.

Mr. McCAY.—Outside, but not inside the House.

Mr. THOMAS. — If they believed in majority rule, and thought that the Bill would secure it, they would surely have applied its provisions to Senate elections, as well as to elections for the House of Representatives. There is a strong probability that each of the three big parties will, in Victoria at any rate, run three candidates for the Senate. Both the Labour Party and the Protectionist Party will run three candidates each. I believe that the Free-trade Party has been joined by the honorable member for Echuca, and that he and the honorable member for Grampians, and a third candidate, will stand in the interests of that party, or, if honorable members like to term it so, the anti-Socialist party. It is generally believed, too, that no one of the three tickets will have a great advantage, in the matter of votes polled, over either of the other two. That being so, the Ministry should surely take advantage of their preferential system—and they are prepared to die to secure majority rule—to apply it to the Senate. Why not at least experiment with the Senate?

Mr. WILKS.—Try it on the dog.

Mr. THOMAS. — If the system were seen to work well in Senate elections, we could subsequently adopt it for elections for the House of Representatives. Surely the Minister will give us a better reason than that already furnished for not applying the principle to Senate elections.

Mr. WILKS.—He said that the time is too short in which to do so.

Mr. THOMAS.—I cannot see why there is not time to apply the principle to Senate elections if there is time to apply it to the House of Representatives elections. It would be just as easy for electors to indicate their preference for Senate candidates as to do so for candidates for the House of Representatives, although in one case there would be three candidates to choose, and in the other only one. The *Age* newspaper has been strongly supporting the Bill, and, in a leading article published a few days ago, pointed out that the honorable member for Corangamite represents a minority.

He is there spoken of as a free-trader, though he sometimes denies that he is. The votes polled for him at the last election numbered, according to the *Age*, 4,600, while 4,036 votes were cast for a candidate named Dunne, 1,484 for a candidate named Woods, and 2,968 for a candidate named Wynne. The writer of the article contends that if the preferential ballot had been in operation, the Labour candidate, Dunne, would have been declared elected, because the 1,484 votes polled for Woods, the candidate lowest on the poll, would have been added to Dunne's 4,036 votes.

Mr. TUDOR.—Dunne was not a Labour man.

Mr. THOMAS.—I am accepting the statements of the *Age*. It is very kind and considerate of the *Age* to endeavour to secure the return of a Labour man, especially in view of the leading article which they published some short time ago in condemnation of the Labour Party and all its works. They forgot to say anything whatever about the 2,968 votes cast for Mr. Wynne. As Mr. Wynne is a Conservative, we have every right to suppose that any secondary votes recorded by those who supported him would go to Mr. Wilson. Thus we may assume that, even if preferential voting had been in vogue at the last election, the honorable member for Corangamite would still have been returned. The *Age* would no doubt have been very sorry to see a Labour man defeated, but that could not be helped under the circumstances. I am not very strongly in favour of the amendment of the honorable member for Dalley. He states that a general election is imminent, and that consequently there is not sufficient time for the proper consideration of the measure. I do not know that that is a very strong reason, because most of us have made up our minds, and do not require to spend very much time in discussion. We need not concern ourselves as to the electoral arrangements, because that matter can very well be left to the Department. I am opposed to the Bill, not because of the tiddlywinking objections raised by the honorable member for Dalley, but because I object to the principle underlying it. I shall vote against the second reading, and shall call for a division if necessary.

Mr. LEE (Cowper) [11.48]. — The honorable and learned member for Wannon described this Bill as farical. As far as the Ministers are con-

cerned, however, it is not farcical, but a matter of life and death. It is very kind of them to bring forward a measure which will permit Labour men and free-traders to support protectionist candidates. I admire the candour of the honorable member for Maranöa when he says that he will advise the electors in his constituency to merely cast their primary votes. Every other candidate will do the same. He will say, "Give your vote to me and let the other men go." If it had been proposed to compel electors to express their preferences, I could have understood the action of the Government in bringing forward the measure.

Mr. GROOM.—Would the honorable member vote for compulsory preferential voting?

Mr. I.E.E.—No; I do not approve of preferential voting in any form. I believe in one vote one value. I do not think, for example, that we should ask a protectionist to vote for a free-trader or for any other candidate of whose policy he could not approve. The fact that the preferential vote is to be optional will render the measure inoperative. I shall certainly advise the electors not to trouble themselves to record any secondary votes. It is a mere waste of time to devote our attention to legislation of this kind. It has been claimed that an attempt is being made to bring about majority representation, but the Bill would utterly fail to accomplish that object. The *Age* states that the preferential voting system has been successfully applied to the selection of Labour candidates. That is no doubt correct, because the system is applicable to cases in which all the voters believe in the same principle. But we should not introduce any system that would require Socialists to vote for anti-Socialists, or free-traders to vote for protectionists. I would advise the Minister to withdraw the Bill and proceed with some useful measure.

Mr. BATCHELOR (Boothby) [11.52].—No wild enthusiasm is being displayed by the supporters of the Bill, and I am afraid that I cannot say very much in its favour. Ever since I took part in politics, I have been an advocate for a system of voting which would secure a just representation of the people. I do not think that it is worth while to take much trouble to bring about majority rule, because the loss of a seat by the splitting of votes of one party in a certain electorate is more often than otherwise counterbalanced by a gain in an-

other seat through the splitting of votes on the opposite side. On the whole, therefore, we arrive at majority representation. We ought to aim at the accurate representation of the feeling of the electors. At the last elections for the House of Commons, a very small surplus of Liberal votes proved sufficient to enable that party to almost annihilate the Conservatives, and the House of Commons does not at present afford anything like a fair representation of the opinion of the electors.

Mr. THOMAS.—There are too many Conservatives there, even now.

Mr. McCAY.—There are always too many of the "other fellows."

Mr. BATCHELOR.—Exactly, and we must try by propaganda work and other means to reduce the numerical strength of the "other fellows" as much as we can. If the principle of majority rule were applied, it is quite conceivable that the Senate might be composed entirely of representatives of one party in politics. In fact, that result may be brought about at the next elections. I am inclined to think that next session the Senate will be composed almost entirely of Labour members. Whilst such a result might be very gratifying to the members of the Labour Party, I am not so biased as to think that it would constitute a fair representation of the views of the people. If the Government had aimed, by means of the Hare-Spence system of voting, to secure a more accurate representation of the views of the electors in the Legislature, there might have been something to justify the introduction of the Bill. One of the chief objections urged against the preferential voting system is the liability to error, and the multiplication of informal votes. Under the Government proposal, the number of informal votes would probably be largely increased, because two systems of voting would be in operation at the one election. Unless very good reason is shown for making a change, I think that we had better adhere to the present system of voting. I intend to vote for the second reading of the measure, with the object of trying to make provision for proportional voting under the Hare-Spence system.

Mr. McCAY (Corinella) [11.58].—I desire to congratulate Ministers upon their success in maintaining a grave face when they allege the seriousness of their proposal. They have been seized at a very late hour in the day with a violent fit of

alleged anxiety for majority rule — an anxiety which extends, however, only to that House which is concerned in the making and unmaking of Governments. The electors whose views are to be expressed by means of the election of senators are to be left severely alone. The Minister tells us that if the Senate desire that the preferential voting system shall be applied to the elections for that Chamber, he will raise no objection. All I can say is that the Government, which desires to see majority rule achieved, and which is going to stake its life upon it, is taking up an extraordinary position when it acknowledges that its enthusiasm extends to only one branch of the Legislature. In order to achieve the alleged result of majority rule—because I propose to point out that this measure, instead of securing majority rule, provides for the wildest of lotteries—the Government have proposed a system of voting under which, when there is a multiplicity of candidates, the one who receives the smallest number of first votes will be dropped out of the ballot before the recount takes place. I have no hesitation in saying that under normal conditions, where there are more than two candidates, there will probably be three candidates for the House of Representatives. If the three sets of electors were nearly equal in numbers, it would be a matter of pure chance whether the proposals embodied in this Bill would insure the selection of the real choice of a majority. If the Government are in earnest in their desire to insure majority rule, why do they not introduce the proper system of preferential voting—in cases where a number of candidates are contesting an electorate returning a single member—under which all the preferences are added together, and an average is struck? The Minister ought to have considered all the alternative methods of preferential voting in single electorates. Under the scheme which is embodied in the Bill, we might very well have a repetition of that ancient historical example when all the Greek generals were asked to vote upon the question of who was the best general, and when every one of them put himself first, and the same man second. Under this Bill the first candidate to drop out at an election would be the candidate whom everybody with the exception of himself agreed was the best man. Take the figures in the remarkable instance circulated by the Government, in

Mr. McCay.

which Smith gets 5,000 votes, Brown, who is ultimately elected, 3,500, Jones 3,400, and Robinson 2,100. If, as well might happen, the great majority of the electors who gave their first preference to Smith, Brown, or Jones, selected Robinson as their second choice, although he received the smallest number of first preferences, and was thus defeated, he would be the individual who should have been elected. Under a proper system of calculation, when preferential votes are recorded, Robinson would be the candidate who would be returned. If all the supporters of Smith—to put an extreme case—gave their second preference to Robinson, and if all the supporters of Brown and Jones did likewise, it is apparent that Robinson would be the candidate whom the majority of the electors desired to represent them. Yet, because he happened to be the candidate with the smallest number of first votes, he would, under this Bill, be the first candidate defeated. The entire measure rests upon the theory that first preferences are not a final guide, and yet the Bill proposes to take first preferences as a guide in the matter of which candidates shall be defeated. If it be wrong to select a candidate merely because he secures the largest number of first preferences it is equally wrong to reject a candidate because he obtains the smallest number of first preferences. The Bill recognises an impropriety in the determination of an election by the number of first preferences recorded in favour of a candidate, but breaks its own principle by determining the rejection of a candidate by the first preferences recorded. It does not matter whether we act upon a system of selection or exclusion. I maintain that if first preferences are not a reliable guide in the one instance, they are not a reliable guide in the other.

Mr. PAGE.—How would the honorable and learned member cure that evil?

Mr. McCAY.—The way to cure it is to adopt the more scientific method of adding up all the preferences recorded in favour of the various candidates, averaging the total number of marks thus obtained, and rejecting the candidates who are below the average. Even that system is liable to error, but it is much less so than is the method which is proposed by the Government. The system which is outlined in the Bill is a hopeless lottery, and is no more likely to achieve the object at which it aims than is the existing system. Probably

it is much less likely to do so, even assuming that all the electors indicated their preference. But when in addition the Government propose to make the exercise of the preference optional, they again condemn their own Bill. They practically say, "We must have a preference indicated in order to determine the will of the majority, but we will not insist upon having that preference indicated, and we will not insist upon having the will of the majority determined." How a Government which professes to be fighting strenuously for majority rule can take up such an attitude is to me incomprehensible. If they wish to insure majority rule, they must insist upon all voters going to the poll, and voting in accordance with the system which is necessary to secure majority rule.

Mr. TUDOR.—That could only be done by looking at each elector's ballot-paper.

Mr. McCAY.—The Government are endeavouring to compromise between what is called principle and what is undoubtedly convenience. Under any other system of preferential voting save this, all the ballot-papers would have to be assembled at one spot, and counted by the one officer. I am not sure that even under this Bill the adoption of that course would not be necessary.

Mr. ROBINSON.—We should be on the gridiron for a month.

Mr. McCAY.—But the inconvenience to which candidates are subjected is as nothing compared with the public weal. That is why the Government continue to hold office in spite of the inconvenience under which they labour. They think that they are promoting the public welfare enormously by carrying on the government of the country. To insure majority rule, two things are necessary, namely, insistence on all electors going to the poll, and insistence upon them voting in accordance with the preferential system. Anything short of that is little better than a farce, and it is little more than a pretence to urge that it can insure majority rule. If there are 25,000 electors in a constituency, and only 15,000 vote, and if one candidate secures 10,000 votes out of the 15,000 votes polled, he will not represent a majority of the electors, but merely a majority of those who exercised the franchise, assuming that a proper system of counting the votes is observed. If the Government are in earnest in their desire to ascertain who is the real choice of a majority of the electors, they

must abandon this lottery, under which a candidate is rejected merely because he has obtained the smallest number of first preferences. If, in the illustration given by the Government, Robinson were the second preference of the supporters of Smith, Brown, and Jones, Robinson—who would be defeated because he happened to secure the smallest number of first votes—would really be the candidate who ought to have been elected. I object to the Bill on purely arithmetical grounds. It breaks the very rule which it professes to lay down. In fact, as I have already said—and this remark summarizes my position upon the question—if it be wrong to elect a candidate because he has obtained the largest number of first preferences, it is equally wrong to reject him because he has obtained the smallest number of first votes. One system is just as bad as the other arithmetically and mathematically, and if the Government really wish to insure majority representation—quite apart from all questions of compulsion or of insisting that those who go to the poll shall indicate the order of their preferences—they must adopt not this system, which would result in the defeat of a candidate because he chanced to obtain the smallest number of first votes, but the system of adding up the preferences recorded and of averaging them. I am no lover of any of these fancy systems of voting, and I have been consistent in my distrust of them. In this connexion, it is interesting to note the attitude which is assumed by newspapers like the *Age*, which at one time enthusiastically opposes all systems of preferential voting, and at another supports the principle. I suppose that it gets more light every day, although I should not be surprised if in two or three years it was again found reconsidering its position. The Government have brought forward this Bill at the end of a Parliament when honorable members have neither the time nor the opportunity to carefully consider the actual mathematical merits and demerits of the various systems of preferential voting. They are proposing a system which breaks in its essence the very principle which they allege they wish to affirm. As a matter of mere mathematics, it is as little reliable as is the system which they propose to supersede. If they are earnest in their endeavours to introduce a system which, as a matter of mere mathematical calculation, will offer more chance of the real choice of a majority of

the voters being elected, I ask them not to substitute for the existing system a system which has all its disadvantages and defects and a few more of its own. I challenge the Government to justify the substitution for the existing system, which gives the victory to the candidate who obtains the largest number of first votes, of a system which rejects the candidate who secures the smallest number of first votes. The matter has only to be stated to show that in the Bill exactly the same principle is being followed as is being followed at the present time. The only difference is that the Government start at the bottom instead of the top. But it is the same system exactly, and it is therefore liable to the same mischances. I venture to say that if the scheme proposed by the Government be adopted at the forthcoming election, it will result in the return of more representatives of minorities than does the present system.

Mr. CULPIN (Brisbane) [12.15].—Believing as I do in majority rule. I intend to vote for the second reading of this Bill. The complications that have arisen in connexion with the application of the contingent voting system to two-member constituencies in Queensland show that it would be unwise, if not practically impossible, to apply it to elections for the Senate. The honorable member for Franklin has given notice of his intention to move an amendment that voting shall be compulsory, and I should certainly be glad to give my support to any sound scheme that would result in majority rule. The Government have some justification for bringing forward this scheme, which, theoretically, is a perfect one, although practically it is not. Anyone who is in favour of the second ballot system would be equally favorable to that provided in this Bill since, if the people would fully avail themselves of it, we should secure under it all the advantages to be derived from the second ballot. Unfortunately, however, where the contingent vote is optional, the people often fail to exercise it. The Minister of Home Affairs would have done well if, instead of using purely imaginary figures in the illustration of the working of the system which he gives in his memorandum, he had used the actual figures relating to an election in Queensland. The honorable member for Wilmot asserted that the preferential voting system had proved satisfactory in connexion with the Tasmanian elections for the House of

Representatives. I would point out, however, that it resulted in the casting of a large number of informal votes—an evil which we should all wish to avoid. At the first Federal election in Tasmania, 16,575 votes were polled, and, as the result of complications due to the preferential system of voting, 533 informal votes were cast. In South Australia, where the primary voting system obtained, 62,892 electors—or almost four times the number who recorded their votes in Tasmania—went to the poll, and yet the number of informal votes cast there was only 985. The experience of Tasmania clearly indicates that the preferential system leads to a larger proportion of informal votes than is possible under the ordinary system of primary voting. The question naturally arises, "Will the electors avail themselves of the system embodied in this Bill?" If they would, I should be still more inclined to support it, but our experience in Queensland shows that where the contingent vote is purely optional, the electors, as a rule, do not trouble to exercise it. What we need to do is to make our electoral system as simple as possible, and, in the circumstances, it seems to me that we shall have to content ourselves with the system of primary voting. That for which the Bill provides would encourage a superfluity of candidates to come forward. One of the strongest arguments that could be used against the Bill is supplied by the figures employed in the illustration furnished by the Minister as to the probable working of the system. In his memorandum he takes, as an illustration, an election at which there are four candidates—Smith, Brown, Jones, and Robinson—and at which, on the count of the first preferences, the result is as follows—Smith 5,000, Brown 3,500, Jones 3,400, Robinson 2,100; total, 14,000. He then proceeds to theorize on the assumption that all the voting papers showed that the preferential, or contingent voting system, had been availed of. As a matter of fact, it is unfair to assume anything of the kind. I propose to put before the House some figures relating to a Queensland election in which I was interested. Speaking from memory, one candidate received 409 primary votes, another 439, and still another 458. As no candidate obtained an absolute majority, the man lowest on the list dropped out, and cognisance was taken of the second pre-

ferences. I believe that 41 were credited to the candidate who had polled 439 votes, and 31 to the candidate who had polled 458, so that the voting was 480 and 489 respectively. The contingent votes in that case, therefore, did not alter the result obtained on the count of primary votes. A review of the returns in respect of the first Federal elections held in Queensland emphasizes another difficulty; it shows that the number of informal votes cast in electorates where the opportunity to apply the contingent voting system offered was far greater than in those electorates where only primary votes were cast. For instance, only forty-five informal votes were cast in connexion with the election for Oxley, where the contingent vote was not exercised, but no less than 388 informal votes were cast at the election for Moreton, where advantage was taken of that system. I do not think that a stronger argument could be urged against the Bill. In the election for Brisbane, where the contingent voting system was also used, 234 informal votes were recorded. These figures show that the risk of informal votes is much greater under the contingent vote than it is under the primary vote system. Before resuming my seat, I should like to refer briefly to the statement which has been made that I was returned on a minority vote. In response to that assertion, I invite the attention of honorable members to the statement made at the declaration of the poll by one of my opponents—the late Honorable Macdonald Patterson, a man who was well respected, and whose death was regretted by all—that had he not stood, 1,500 out of the 1,799 votes which he received would have been recorded in my favour. That statement was reported in the Brisbane daily newspapers, and it shows that it is unfair to suggest that I really represent a minority vote. I shall vote for the second reading of the Bill, reserving to myself the right to support any amendment that I consider will be likely to improve it.

Mr. MALONEY (Melbourne) [12.27].—In the dying hours of the Parliament, the supporters of the Government can best assist them by speaking as briefly as possible to the questions submitted to the House. That has been my rule during the session, and I do not intend to depart from it to-day. I have for many years supported the preferential voting system, believing that that which prevails in Victoria

is incomplete. It has always been my desire that majority rule should prevail, and I have no sympathy with the suggestion that it is now too late in the session to deal with a Bill of this kind. We are on the eve of a general election, and surely if the system proposed is a good one, it is not too late to pass it into law. In this respect, our position is very much like that of the surgeon who, even at the eleventh hour, is prepared to perform an operation if he thinks that by doing so there is a possibility of saving life. It should be our desire even at the eleventh hour in the life of this Parliament, to secure majority representation for Australia. We have three parties almost evenly balanced, and under the existing system, when a candidate is opposed by representatives of the two other parties, he has a chance of being returned on a minority vote. If I were opposed by another Labour man as well as by a Conservative candidate, I should have no chance of being returned to represent Melbourne, and in the same way the Conservatives would have no hope of winning the seat if they ran two candidates in opposition to myself. I trust that those who believe in majority rule will not take up the attitude that we have not time to deal with the Bill during the present session, and that it should be held over for the consideration of the next Parliament. Surely something more than party considerations should influence us. We should be influenced by something more than the mere question of which party is to occupy the Treasury benches, or which party is to sit in Opposition. Australia cries for sound legislation, and if we adopt an effective voting system we may speedily secure majority representation and afterwards good legislation.

Mr. JOSEPH COOK.—Did the honorable member hear the argument advanced by the honorable and learned member for Corinella?

Mr. MALONEY.—I like him sometimes when he casts off rough shavings, but I think that a man of his great abilities could have done more for the country than he has. I trust that, if he is returned at the next general election, he will profit by the two bitter lessons he has received. He gave my feelings a very severe wrench at a time when I was one of his warmest admirers. I trust that we shall be returned at the next general election on majority votes, and that we shall not have triangular duels.

Honorable members will recall the outcome of the three-corner vote in Manchester. If we have triangular contests the results must be disadvantageous not only to this House but to Australia. Out of the love which I bear to Australia, which is greater than that which I have for any other country, I express the hope that, even at the eleventh hour, that system will be adopted which will be most beneficial in its results, and that the absurd existing system will be discarded. I hope that honorable members will not raise small points to hinder this from happening, because the time is not opportune for doing so. In conclusion, I would point out that the preferential system has been tried in Victoria by the Labour Party in connexion with the selection of three candidates to carry the flag of labour at the Senate elections. Twenty-three names were submitted, and the papers were rendered informal if only one mistake was made in the allotting of preferences, while the perplexities of the voters were increased by the fact that they had to vote for three candidates, whereas under the Bill only one candidate will have to be voted for. Nevertheless, only 5 per cent. of the votes cast were informal, and I doubt if one per cent. would have been informal if the electors had had the option of voting straight out, or expressing a preference. I hold that in all cases the majority should rule.

Mr. KELLY (Wentworth) [12.33].—It is regrettable that those who oppose the measure must expose themselves to the insinuation that they are doing so for personal ends: but that personal gain is not the reason for my opposition is clearly shown by the record of the voting at the last election. If there is one division which, for many years to come can be expected to cast an outright majority for the party to which I belong, it is that which I have the honour to represent. I am sorry that the Bill has been introduced on the eve of a general election. History is repeating itself. Immediately before the last election, the Government of the day refused to accept the recommendation of the Commissioner appointed to distribute the State of New South Wales into new electoral divisions, and thereby obtained in that State the name of "the gerrymandering Government." Now, a Government under the same leader, and supported by the same party, is bringing forward ill-considered

and crude proposals which it is hoped will achieve a result similar to that gained by the gerrymandering tactics to which I have referred. There appears to be something in the political conscience of the Cabinet in which the Minister of Trade and Customs is so dominating a personality which makes it easy for them to treat sacred things like the franchise as matters to be dealt with for their political advantage. If the Bill has been introduced to secure majority rule, which is the claim of the Minister, I ask him why he has not made it apply to Senate elections. Is it less important that majorities should be represented in the Senate than it is that they should be represented here, where a party of eighteen governs in a house of seventy-five by means of the support of another party of twenty-five? The Minister has informed us that the representation of nine Victorian divisions would be different had the preferential ballot been adopted at the last election. It may be news to him that one only of the four candidates run for the Senate by the *Age* newspaper would have been returned under that system. Is that why the Government have not applied the provisions of the Bill to Senate elections? They must give far more cogent reasons for the distinction which they have drawn, if they wish the people to believe that their object is other than it appears to be. I have always endeavoured to consider questions of this character uninfluenced by party considerations.

Mr. GROOM.—That is indicated by the honorable member's preceding remarks.

Mr. KELLY.—Those remarks express my indignation at the attitude of the Government towards a non-party question. We know that the measure will not pass; but, in considering any proposal of this kind, we must concern ourselves, not with its probable effect on the fate of a few seats on which the Deakin party are casting longing eyes, or of seats in Tasmania which the Opposition hopes to secure, but with the interests of the electors, who wish for a simple method of expressing their views. After the humiliation which the Government has experienced during the last few days in the exposure of their difficulty in maintaining a quorum of twenty-five with a party of eighteen all told, I shall be glad to even stretch a point in its favour; but I cannot fail to take the objection that a Parliament elected under the provisions of the Bill would be the re-

pulsory by the measure; but even a compulsory preferential ballot would not give a true indication of the views of the electors. Let us see what would happen if that system of voting were adopted. Supposing that there were four candidates for a division, whom we will call Smith, Brown, Jones, and Robinson, and that one of them was very much stronger than any of the other three: would not the efforts of the three weak candidates and their supporters be directed chiefly, not against each other, but against the strong candidate who was their common danger; and would not the strong man be compelled, in an effort to gain an outright majority, to direct his efforts against the other three candidates without discrimination? In such a case how would the ballot-papers be marked? Obviously, the supporters of each candidate would give their first vote for the man whom they desired to elect, and their preferences for the remaining three in the order of their supposed weakness, casting their second choice for the candidate whom they thought would have the least chance. Suppose that the number of votes polled was 10,000, of which 4,999 were cast for Smith, 1,800 for Jones, 1,701 for Robinson, and the remaining 1,500 for Brown. Brown's name, after the first count, would be struck off the list, and his preferences would be awarded to Robinson, who would thus have 1,701 first votes and 1,500 second votes. It is assumed that the second vote expresses the preference of the elector in regard to the remaining candidates; but, in casting it, he, in reality, makes his choice of the least evil. If the electors trusted all the candidates in the field, there would not be the bitter fights which now take place. As a matter of fact, they trust only their own candidates, and dislike all the others, some more than the rest. Consequently, in awarding their preferential votes, they would give their second preference, not to the candidates whom they liked most, but to the candidates whom they disliked least. In the case I have put by way of illustration, Robinson would have 1,701 primary votes, and the modified dislike of 1,500 electors. Thus he would have more votes than Jones, the second man on the list, who would be knocked out. Jones' supporters would naturally give their second preferences to the man they conceived to be their least dangerous opponent, and Robinson

the first preferences of the electors. Surely when possibilities of this kind are presented, honorable members should pause before they agree to the principle of the Bill. Robinson received the secondary votes of a large number of electors, not because they trusted him, but because they did not want Smith to be elected. It should be our aim to secure the return of the man who is most trusted in the constituency. No one could say that, in the instance I have just quoted, the man who received only 1,701 primary votes out of 10,000 would be the most trusted. The Government proposal is obviously not designed in the interests of majority rule, or the true representation of the wishes of the people in Parliament. Under these circumstances, it is natural for us to ask in whose interests the Bill is designed? I think that the object of the Bill must be clear to all honorable members who have listened to the figures quoted by the Minister. We have been told that the measure would have affected only two seats in Tasmania, and two in Queensland, as against nine in the State of Victoria.

Mr. GROOM.—It would not necessarily have affected those seats, but it might have done so.

Mr. KELLY.—Exactly. In every State except Victoria, the great issue which is dividing the electors into two camps is that of Socialism. In Victoria, however, that issue is clouded by the further question submitted by the Government, namely, whether we shall adopt the principle of prohibition or inordinately high protection. Therefore, in most of the States we shall have the electors divided into two camps and two only, whereas in Victoria there will be three parties represented. It is apparently hoped by the Government that in Victoria those who cast their primary votes either in favour of the socialistic or of our democratic party will give their preferences to those whom they fear least, namely, the candidate who is the rail sitter. We are told by the *Age* that at the last election in Victoria a number of seats were won by candidates who did not secure a full majority of the votes. Four of these seats were won by Deakinites, four by supporters of the Opposition, and one by a Labour candidate. The Government hope that if the measure is passed, the supporters of Labour candidates in Victoria will

cast their second preference votes in favour of Government supporters, and that the voters who favour supporters of the Reid-McLean faction will also follow the same course, because they will have less fear of the Deakinite than of the Labour man. In this way, they expect that the candidate who is sitting on the rail, upon the socialistic question, will be able to ride into Parliament. When we are dealing with matters relating to the suffrages of the people we should be entirely free from considerations such as those I have mentioned. Our anxiety should be to enable the constituencies to record their verdict upon current political questions in a thoroughly straightforward and honest way. It would be childish to suggest that because a Labour man gave his preference vote to a Deakinite, rather than to a Reid-McLean candidate, he would therefore be in favour of the former. We know what the Labour Party think of the Deakin Government. They have made it plain that they do not trust the Prime Minister, and yet it is now proposed to induce them to vote for his supporters—for men in whom they do not believe. Therefore, I contend that we should not give the slightest quarter to the Government proposal. We know that it is not intended that the measure shall be carried beyond the Committee stage. An arrangement has been made in order to enable the Government to save their face. The Bill is to be read a second time, and subsequently dropped. The Government naturally do not want to have their plans exposed. Therefore, some honorable members, although they abhor the principles of the Bill, are prepared to assist them over the second reading to extricate themselves from a dilemma. I have a certain amount of sympathy with Ministers under the circumstances, because they have not been treated by the Labour Party so well as they expected, although quite as well as they deserve. The Government and their supporters were some time ago afforded a guarantee of immunity from opposition by Labour candidates at the forthcoming elections, but certain gentlemen outside, very properly, did not think it wise to indorse the arrangement, and now Ministers are endeavouring to devise means by which they can secure the return of their supporters in the absence of any definite arrangement with the Labour Party. I en-

Mr. Kelly.

tirely agree with the amendment proposed by the honorable member for Dalley. In my opinion, it is not expedient to proceed further with the Bill during the present session, for the reason that a general election is imminent.

Mr. HUME COOK.—How does the honorable member know a general election is imminent?

Mr. KELLY.—By the honorable member's white face. There is consequently not sufficient time for the proper consideration of the measure, or for making the necessary electoral arrangements. I thoroughly agree with the honorable member that the proposals contained in the Bill are crude and incomplete, and that no provision is made for increasing the total number of votes polled, or for effective voting. Moreover, the question of introducing a new system of voting has not been considered by the constituencies. Upon the last occasion that this proposal was made, it was condemned in the most unqualified terms by the honorable member for Bland, who thought that it would tend to confuse the electors. If that objection held good then, it would have still greater force at the present time, when we are upon the eve of an election. The Bill appears to me to be an opportunist device to shelter the Government from the consequences of the indignation of the electors. We now have a Government, representing a party of eighteen all told, controlling a House in which it is necessary to have twenty-five members to form a quorum. I believe that when the elections are over, there will not be a sufficient number of Deakinites to constitute a Ministry. *The Age*, in a singularly able article, recently expressed the opinion that the introduction of the preferential voting system would foster party feeling, which was "the salt of elections." Only quite recently the same newspaper was crying out loudly for the abolition of party government and party feeling in politics. Why this somersault?

Sitting suspended from 1 to 2 p.m.

Mr. KELLY.—Before the sitting was suspended I was referring to the support which this Bill was receiving at the hands of the leader of the Labour Party. I recognise that that honorable member occupies a very difficult position, and that he is impelled to support the measure from a number of considerations, the most weighty of which is that he entered into an arrangement under which he promised to do all

Labour opposition at the forthcoming general elections. I can quite appreciate the motive which prompts him to support this measure, but I cannot understand why other honorable members of his party are supporting it. The Bill is designed to unfairly assist Government supporters, to the disadvantage even of the Labour Party.

Mr. PAGE.—It was very nice of the honorable member to say what he did about the Labour Party.

Mr. KELLY.—In Committee the honorable member will assist me to kill the Bill. I really cannot understand why members of the Labour Party are content to attend here day after day simply for the purpose of affording the Government an opportunity to introduce political placards to their disadvantage. This Bill is designed solely in the interests of Government supporters. I cannot understand why the Labour Party assist the Government to keep a quorum to enable them to introduce legislation of this sort—legislation in which Labour members do not believe, and which will damage their chances in Victoria.

Mr. RONALD.—We do believe in it.

Mr. KELLY.—I do not know what the honorable member believes in, but I do know that upon this Bill we have heard a great many expressions of adverse opinion from members of the Labour Party. Prior to the adjournment for luncheon the honorable member for Barrier spoke in no uncertain voice concerning it, and with considerable weight. I know that other members of the Labour Party will embrace the first opportunity which presents itself in Committee of dealing the Bill a knock-out blow. Personally, I am prepared to do that now on the second reading.

Mr. JOSEPH COOK (Parramatta) [2.5].—I wish to express my surprise that a Bill of this character should have been brought before us during the closing hours not only of the session, but of the Parliament. Under the circumstances, one is led to wonder why the matter has so suddenly developed urgency.

Mr. MAUGER.—Is it sudden?

Mr. JOSEPH COOK.—There was no mention of the Bill in the Governor-General's speech at the opening of Parliament.

Mr. GROOM.—The honorable member complained that the Vice-Regal speech was too long.

will attempt to deny the importance of a Bill of this character. In many respects it is the most important proposal that has been submitted for our consideration, and it is calculated to have very far-reaching effects. Consequently one wonders why a proposal of this kind has suddenly become such an urgent one as to preclude the consideration of other important matters upon which we are pledged to the people of Australia. I strongly protest against the Bill being thrown upon the table to the exclusion of more important business, and without any reference to the constituencies themselves.

Mr. MAUGER.—What business is there in the honorable member's mind which he regards of more importance?

Mr. JOSEPH COOK.—I know what is more important in the honorable member's mind—the Tariff proposals which were submitted yesterday.

Mr. MAUGER.—They do not go far enough.

Mr. JOSEPH COOK.—All the more reason why we should not consume the opportunities which are left to us to afford relief to those industries which the honorable member has so repeatedly assured us are in such an untoward position. I do not understand the reason why the Government have rushed this Bill forward, except that it has been advocated in the columns of the *Age* newspaper. That, of course, is a supreme reason for anything which they may do. The *Age* has only to make a suggestion, and we may rest assured that some similar proposal will be submitted for legislative indorsement by the Government. In my judgment there never was a Bill which could be more clearly traced to the influence of a newspaper than can this measure. No demand has been made for it by the constituencies. Not a single request has ever been preferred by any organization, by any party, or by any individual.

Mr. PAGE.—The honorable member himself has been crying all round the country about the need which exists for insuring majority rule.

Mr. JOSEPH COOK.—I will deal with that matter presently. I say that the proposals in this Bill will not insure the rule of the majority. It does not go a bit nearer insuring the rule of the

majority than does our existing voting system. A little later I hope to show how unfair the Prime Minister was in his criticism the other night of the attitude which has been adopted towards this Bill by the leader of the Opposition. The measure does not propose to insure that the majority of the electors shall vote. It merely embodies a proposal for manipulating the votes which are now cast, and that without the slightest guarantee that any better determination will be arrived at than can be arrived at under the existing system.

Mr. PAGE.—How can a candidate manipulate votes?

Mr. JOSEPH COOK.—I am not speaking of personal manipulation.

Mr. PAGE.—The honorable member spoke of "the unfair manipulation of votes."

Mr. JOSEPH COOK. I did nothing of the kind. The Bill merely embodies proposals for gathering up the vote which is now cast, and for a fresh manipulation of it. There is no guarantee that under that fresh manipulation we shall approach any nearer to the ascertainment of the will of the majority of the electors than we do under the existing system. The Bill will not insure the ascertainment of the desires of the great majority of electors. When the Prime Minister made his adverse criticisms of the attitude which is taken up by the leader of the Opposition, he did not touch that question at all. The Bill itself is not intended to touch it. It is merely designed to deal with the votes which are now voluntarily cast by the constituencies. I should like to point out that this scheme has already been discussed in this Parliament, and has been repudiated by the Government. As a matter of fact, it was opposed by them, because they recognised that it would be an imperfect instrument with which to achieve the results at which they now aim. After having said "No" to these proposals during the brief life of the present Parliament, the Government now wish legislatively to say "Yes" to them. If ever there was a case of "No-Yes" it is to be found here. This question was discussed last session when the amendment of the Electoral Act was under consideration.

Mr. GROOM.—This question has not been discussed since 1902.

Mr. JOSEPH COOK.—It was discussed in the Senate last session, and Min-

isters there gave it a good trouncing. Indeed I have a very vivid recollection of the way in which the leader of the Labour Party and the Minister of Trade and Customs, who was then Minister of Home Affairs, both denounced the proposal as one which was not calculated to achieve the end in view. Now, however, these gentlemen suddenly swing round to it, and wish to embrace it for no other reason than that Professor Nanson is advocating it in the *Age*, and that that journal is supporting it in its leading columns.

Mr. KNOX.—This Bill does not embody Professor Nanson's scheme.

Mr. MAUGER.—Professor Nanson's scheme provides for effective or proportional voting.

Mr. JOSEPH COOK.—But he is now advocating that for which this Bill provides, and is making a most strenuous appeal to the Labour Party to support it. In his last article, he gives reasons why the Labour Party should stand by it. He says, in effect, to them, "See how it will work. If the Deakin party do not win the votes, you will be able to obtain them, and if you do not secure them they will go to protection." Throughout the article we have an assumption on the part of the Professor that the Labour Party are all protectionists.

Mr. MAUGER.—Two-thirds of them are protectionists.

Mr. JOSEPH COOK.—I do not think that the proportion is so large. Professor Nanson assumes that "labour" and "protection" are synonyms.

Mr. MAUGER.—They certainly ought to be.

Mr. JOSEPH COOK.—I am aware that the honorable member is prepared to argue that that should be the position, but a very considerable proportion of the supporters of labour are free-traders. Professor Nanson assumes, however, that if they vote for any candidate outside their own party, they will vote for a protectionist, and, therefore, he makes a stringent appeal to them to support this proposal.

Mr. MAUGER.—Is not the present position very unsatisfactory?

Mr. JOSEPH COOK.—So far as I am aware, the only authority that can be cited in support of this hurried legislation is the *Age* newspaper. I presume that it will be generally admitted that our present system is more or less defective; that there will be no two opinions that the re-

avail ourselves of any effective means of remedying the evil. I doubt, however, whether this proposal would provide the faintest remedy. It does not propose to deal with that great mass of inert voters who do not go to the poll.

Mr. MAUGER.—But it is a step forward.

Mr. JOSEPH COOK.—Not at all.

Mr. MAUGER.—If we could secure the return of a candidate by a majority of those who record their votes, surely we should have gained something.

Mr. JOSEPH COOK.—This Bill will not enable us to achieve that result. If the honorable member had heard the speech delivered by the honorable member for Corinella, he would not hold such a high opinion of the accuracy of this system as he now appears to entertain.

Mr. MAUGER.—The view expressed by the honorable member for Corinella is contrary to that which he advanced a little while ago.

Mr. JOSEPH COOK.—I do not think so; but whether it is or is not so, the case that he advanced requires to be answered. The Minister in charge of the Bill should show, if he can, that the figures presented by the honorable and learned member are susceptible of controversion. Cases have been cited by the honorable and learned member for Corinella showing that this Bill will give us no better results than are secured under the existing system—that the mere inversion of a process will not of itself cause votes to be distributed with greater accuracy than now obtains. That statement needs to be answered by the Minister. I wish now to refer to the way in which the Prime Minister in the course of a speech delivered at Maryborough last week, criticised the attitude of the Opposition with respect to this measure. The sub-heading given by the *Age* to its report of that part of the Prime Minister's speech, is "Mr. Reid's Double Face." With a wide knowledge of newspapers published in every part of the world, I may say that I have never seen anything like the virulence displayed by the *Age* in denouncing the leader of the Opposition.

Mr. GROOM.—Then the honorable member does not read many newspapers.

Mr. JOSEPH COOK.—I have seen nothing like it.

Mr. MAUGER.—Is not the *Sydney Daily Telegraph* quite as bad in its criticism of the Prime Minister?

the *Age* deals with the leader of the Opposition. Its criticisms of the Prime Minister have been purely impersonal.

Mr. SPEAKER.—Does the honorable member think that that has anything to do with the Bill?

Mr. JOSEPH COOK.—I am tracing the origin of this proposal, and showing how even the Prime Minister's statement is reported.

Mr. SPEAKER.—This Bill does not relate to the relative accuracy of any reports in the press.

Mr. JOSEPH COOK.—Perhaps not. This is what the Prime Minister said—

The leader of the Opposition has wailed over the fact that, although electors may go to the poll under the present system of voting, the man elected may not represent the majority of those who go to the poll.

I defy the *Age*, the Prime Minister, or any member of the Government to point to a sentence of that kind that has ever been uttered by the leader of the Opposition.

Mr. MAUGER.—I shall quote such a statement on the part of the right honorable member.

Mr. JOSEPH COOK.—I shall be glad to hear it. All that the leader of the Opposition has bewailed is the fact that people do not go to the poll. That has been his complaint on every platform. It is a justifiable complaint that not 50 per cent. of the huge enfranchised masses of Australia take the trouble to cast their votes at a general election. That is the great outstanding trouble to which the leader of the Opposition has been referring.

Mr. MAUGER.—Speaking at Warragul, he made a complaint similar to that attributed to him by the Prime Minister.

Mr. PAGE.—Why does he not put his own electorate in order before he complains of others?

Mr. JOSEPH COOK.—What has the honorable member had for lunch?

Mr. SPEAKER.—These personal matters are entirely irrelevant.

Mr. JOSEPH COOK.—Quite so, Mr. Speaker; but surely I have a right to reply to these interjections?

Mr. SPEAKER.—The introduction of personal matters is entirely irregular. An irregular interjection is no excuse for an irregular reply. I am afraid that, unless the honorable member passes from the point which he has just been discussing, I

shall have presently to inform him that his remarks are not in order; that the question before the House is not what the leader of the Opposition said or did, but whether a Bill relating to contingent voting shall be read a second time. I ask the honorable member to come as quickly as possible to the question which is before the House.

Mr. JOSEPH COOK.—Do you rule, Mr. Speaker, that I cannot refer to a speech made by the Prime Minister on the question of preferential voting?

Mr. SPEAKER.—I rule that the discussion must be relevant to the subject-matter of the Bill. The Bill has no bearing on what the leader of the Opposition may have said in the course of any election campaign in which he has taken part, nor does it necessarily relate to any reference that has been made by the Prime Minister, not in this House, but elsewhere, to the leader of the Opposition. If in connexion with the consideration of every Bill that came before the House the arguments used for or against the measure by the Prime Minister or the leader of the Opposition, might be exhaustively discussed, our debates would be practically endless and quite irregular.

Mr. JOSEPH COOK.—This is the first time I have heard it laid down that we cannot allude to a speech relating to the question before the Chair.

Mr. SPEAKER.—I have not given such a ruling.

Mr. JOSEPH COOK.—I am controverting a statement made by the Prime Minister in regard to this very Bill.

Mr. SPEAKER.—I would remind the honorable member that what I said was that unless he speedily came to the question immediately before the Chair, I should have to intervene. I did not find fault with what he had said up to the point at which I intervened, but stated that if he continued the line of argument then being pursued by him, I should have to remind him of the Standing Orders. The incidental reference that he has made to the speech delivered by the Prime Minister is quite in order, and such references as he makes to it during the next two or three minutes will be permissible, but it would be entirely irregular for the honorable member to continue to debate a matter that is only incidental to the question immediately before the Chair, and to depart from the subject-matter of the Bill itself.

Mr. JOSEPH COOK.—I wish only to refer to the criticism of our attitude on this Bill which was indulged in last week by the Prime Minister. I have no desire to go beyond that. The Prime Minister said that the Opposition had been declaiming all over the country against the enormities of the present system, and that when we were offered that for which we had been asking we ran away from it as fast as we could. That is surely a statement to which some reply should be made. The honorable and learned gentleman said—

I am prepared to say that personally I believe in making it compulsory, that the man should express all his preference on the voting paper, and I am prepared to extend the same system to the Senate.

If the Prime Minister is prepared to carry out these reforms, why does he not make provision for them in the Bill? Why has he, as it were, thrown upon the table of the House a Bill which at a public meeting he has declared to be only a botch, and to need various amendments to make it effective? Surely Ministers cannot be serious in asking us to deal with a measure which they have flung before us in this most casual way. If the Prime Minister is in favour of all these changes he should provide for them in the Bill itself. He went on to say—

But, recognising the period of the session which we have reached, we brought it forward in a milder form, as the electors perhaps could not have sufficient notice to enable the whole of them to be instructed in the system without the possibility of mistake.

Does the fact that it is not to apply to Senate elections make it less difficult to apprehend the purpose of this new proposal? Is the Bill simplified by the fact that it is not to apply to elections for the Senate?

Mr. MAUGER.—Is it not easier to apply it to electorates where there will be only two or three candidates than to elections for the Senate, where there may be eight or nine candidates?

Mr. JOSEPH COOK.—Is it easier for an elector to write on a ballot paper the figures 1, 2, 3, 4 than to write the figures 1, 4, 7, 8, and so forth? The one process involves no greater difficulty than the other. If any difficulty will be experienced in initiating the electors into the mysteries and difficulties of this system, that is a supreme reason why it should not be rushed upon them on the eve of a general election.

the best of reasons why the Bill should not be rushed through in the closing hours of the session. He admits that it takes time to instruct the people how they shall vote, and I presume that the poll clerks and returning officers must have any change of system explained to them rather elaborately. Therefore, the Bill should be put on one side until there is an opportunity for framing a complete system, and giving time to the people to become acquainted with it before being called upon to use it. The Prime Minister says that the complaint of the Opposition is in regard to the manner in which votes are now manipulated, but our complaint is, and it is being voiced every day by our leader, that of those entitled to vote less than 50 per cent. do so.

Mr. DEAKIN.—The instruction needed by the electors would be very simple.

Mr. JOSEPH COOK.—Then the honorable and learned gentleman was speaking idly when he said—

Recognising the period of the session which we have reached, we brought it forward in a milder form, as the electors perhaps could not have sufficient notice to enable the whole of them to be instructed in the system without the possibility of mistake.

Mr. DEAKIN.—We have not adopted the system which we regard as ideally desirable.

Mr. JOSEPH COOK.—Why should a difference be made between the House of Representatives and Senate elections? Why should not the same system apply to both?

Mr. DEAKIN.—In a Senate election an elector might be called upon to express his preference for ten or fifteen candidates, of whom there would be three to be chosen.

Mr. JOSEPH COOK.—That would be necessary if preferential voting were made compulsory. It is not proposed that it shall be compulsory.

Mr. DEAKIN.—I think that it should be, if we had time and means to apply it to both Senate and House of Representatives elections.

Mr. JOSEPH COOK.—Our trouble is now not in compelling electors to express a preference, but in getting them to vote. Why not wait until next Parliament, when a definite and concrete proposal can be put forward for providing for the expression of the opinion of the electorates? The Prime Minister admits that this is only a tentative proposal, and that it is in every way imperfect. There is no violent hurry for a change of the kind proposed, and it has not

paper and Professor Nanson.

Mr. WILKS.—The *Age* wrote down Professor Nanson about three years ago.

Mr. MAUGER.—Was that in regard to preferential voting?

Mr. JOSEPH COOK.—Ministers themselves have spoken against this system. The Minister of Trade and Customs has declared it to be clumsy and unworkable, but, on the eve of a general election it is discovered to possess all the virtues. I admit the imperfections of the present system; but I have yet to learn that an ideal system has been evolved. I shall be very happy to adopt any system which will give better results than obtain from the present system. Such results will not be obtained from the Bill, and, after the crushing indictment of the honorable and learned member for Corinella, the whole subject should be inquired into further. An ideal system would recognise and harmonize the conflicting interests of the electors.

Mr. WILKS.—And prevent us from being defeated.

Mr. JOSEPH COOK. — That would not matter so much if the electorates were properly represented. We must look in vain for ideal representation so long as there are such places as No. 66 Bourke-street, and such institutions as the Caucus, working wholly, solely, and always in the interests of organizations, and caring nothing for anything else. Before we can have an ideal electoral system, we must have an ideal condition of sentiment operating.

Mr. MAUGER.—The Bill is the outcome of the sentiment which is operating.

Mr. JOSEPH COOK. — In what way has that sentiment manifested itself? What demand has there been for the Bill? I doubt if the Ministry represents the sentiments of the electorates upon any matter. When the Ministerialists last appealed to the electors, they were returned as the smallest party in the House, and have therefore no mandate to speak for the country. While we have conflicting party interests and elements, we shall seek in vain for an ideal system of representation. If we could apply some principle of proportion to the gathering in of the votes which are cast, that would be an ideal system; but I see no possibility of doing so. No system has yet been devised which cannot be manipulated for party ends, so long as fierce party spirit exists.

Mr. MAUGER.—Does the honorable member think that the system provided for in the Bill could be manipulated?

Mr. JOSEPH COOK.—Yes. The honorable member will do all he can to manipulate it, of course legitimately, to put a ring round Australia. He will not consider the intelligence of candidates, the wishes of the people, or anything else, except in doing what he can to obtain a higher degree of protection. With such feelings finding their embodiment in party organizations, there is no possibility of obtaining ideal results. Professor Nanson himself has made a pitiful and frenzied appeal to the Labour Party in support of his scheme. He advocates its adoption for purely party considerations. He tells them that the adoption of the system will mean that their candidates will be returned, while the protectionists are told that it will result in the return of protectionist candidates.

Mr. MAUGER.—That is because protectionists and Labour candidates represent the views of the majority of the people.

Mr. JOSEPH COOK.—I doubt it. In the case of Victoria, some of the people have wrongly been imbued with a strong personal dislike to the leader of the Opposition, and are inclined to treat him unfairly. This feeling is likely to operate in the decision of political issues.

Mr. MAUGER.—Does the honorable member suggest that it has operated with Professor Nanson?

Mr. JOSEPH COOK.—No; but it will operate in many quarters. That is due to the attacks of the *Age*. I have never known a newspaper to attack a public man so virulently as the *Age* has attacked the right honorable member for East Sydney. We are constantly boasting of the development of the altruistic principle in this community, but evidence multiplies to show that it is not developing to the extent suggested. Although it is mouthed so much by the Labour Party, that party is constantly shutting itself off more closely from neighbourly contact with others. The need of Australia is not so much an electoral system for the better recording of the popular will as greater popular interest in politics. In Japan, I believe 95 per cent. of those on the roll go to the poll, and in some European countries from 90 to 95 per cent. do so. But although our people are supposed to be keenly alive to their democratic privileges, only about 45 per cent. vote.

Mr. HUTCHISON. — In the countries to which the honorable member refers, there is no such thing as adult suffrage, only a section of the people being on the rolls.

Mr. JOSEPH COOK.—That has nothing to do with the casting of the vote. Whereas in other countries as many as 95 per cent. of the votes are cast, our returns here run down as low as 30 per cent. I do not believe that there would be any necessity for new-fangled processes of voting and methods of manipulation if we could induce the great mass of the electors to do their duty. The more I look into this matter the more I think that something ought to be done to bring the electors face to face with the solemn duty which they are called upon to discharge. I was recently reading in a pamphlet that away back in the days of Solon, a law was passed which dishonoured and disfranchised any man who, in a time of sedition, abstained from taking action upon one side or the other. It was laid down in the Statutes that it was criminal to abstain from interference with the conduct of the affairs of the country. It is true that we have no sedition in these days. But as great disasters may overtake a community in times of peace, through sheer negligence and abstinence, as are brought about by the processes of war. Nations have had their decay hastened by their indifference to great national questions, and to the needs of the body politic, not in times of war, but in the piping times of peace. In the same way, when all around is peace and content, influences may be at work amongst us that may ultimately bring about the downfall of the State. Therefore, it is of the utmost consequence that the people should take an active interest in the affairs of the country. They should be awakened from their lethargy, and induced to take an active part in political life. In other words, I am inclined to the view that neutrality in matters of political moment should be made a statutory offence. Only in that way, I fear, shall we solve the problems that are now confronting us. Anything short of a provision of that kind will merely tinker with the question, and that is all that it is proposed to do under the present Bill. The franchise is not conferred upon the people merely as a privilege to be cast aside or treated as personal property. The idea underlying the conferment of a democratic franchise is that it shall be used for national ends. The theory is that a democracy is best governed when the whole

country take a part in its affairs; in other words, when the whole of the people are governed by the whole of the people. There is a duty which corresponds to, and is the exact measure of, the privilege conferred by the franchise, and this duty should be discharged. If that result cannot be brought about by any process except that of compulsion, we shall have to proceed to that extreme. The Bill does not touch the fringe of the difficulty which needs to be grappled with. It does not afford a guarantee that a single additional vote will be cast. It is proposed to manipulate the 30, 40, or 50 per cent. of votes that are cast, but not to multiply the total by one. The difficulty which transcends all others is that of inducing the people to vote. If we can succeed in accomplishing that object, we shall be able to solve many of our political and social problems in a satisfactory manner. At present our politics are dominated by parties, most of which represent minorities. The great mass of the people who do not belong to organized bodies do not take the trouble to vote, so that even under our democratic franchise the State is being ruled by well organized minorities. I thoroughly agree with the reasons put forward by the honorable member for Dalley for the postponement of the measure, which should not be dealt with in the last days of this Parliament. The matter is far too important to be dealt with hurriedly. Of course, we are told that there is no chance of the Bill being passed—that the Government do not wish to carry it.

Sir JOHN FORREST.—Who told the honorable member that?

Mr. JOSEPH COOK.—It is common talk in the lobbies that the masters of the Government have told them that the Bill after passing the second reading must not be proceeded with any further.

Mr. KELLY.—Did not the Minister of Trade and Customs propose that arrangement?

Mr. JOSEPH COOK.—No, I rather think that the proposal emanated from one of the masters of the Government. I am informed that a great deal of the activity displayed by Ministers during the current week is attributable to influence exerted from the same quarter, and that what we were induced to regard as a well-arranged surprise was due to the response by the Government to the hustling to which they

is understood that the members of the Labour Party are doing their best to save the fate of the Government, and that the Bill is not to be placed upon the statute-book this session. I hope that that is so, because I regard the measure as shockingly crude and incomplete. If the Bill became law, we should have two systems of voting in vogue at the next election, leading to an increase in the number of informal votes. This would tend to serious confusion. That is the generally expressed opinion. The electors are sufficiently confused by our parliamentary methods, and the differences between our legislative machinery and that of the States, and we should certainly not add any complexities that will tend to their further bewilderment. The measure might very well be permitted to stand over until a more comprehensive and effective proposal could be submitted. All parties are agreed that our present system is defective. Therefore, an effort should be made to prepare a scheme that would result in the disentanglement of our electoral affairs, in the fuller exercise of the franchise, and the better representation of the people. I think that the matter should be remitted to the constituencies before any change is made. It has been the practice to refer such matters to them beforehand. Let the electorates ratify this proposal, and then let it be placed upon the statute-book. But until the constituencies have been consulted, we ought to pause before we commit the Commonwealth to a proposal as crude and incomplete as that submitted by the Government.

Mr. MAUGER (Melbourne Ports) [3.1].—I was surprised beyond measure to hear the honorable member for Parramatta declare that the leader of the Opposition has never advocated majority rule, and that he has never favoured such a scheme as that which is now under consideration.

Mr. JOSEPH COOK.—I did not say that.

Mr. MAUGER.—Then I do not understand what the honorable member did say. He criticised a statement by the Prime Minister, and affirmed that what the leader of the Opposition had contended for was a system of compulsory voting.

Mr. JOSEPH COOK.—I simply read a passage from the speech delivered by the Prime Minister at Maryborough, and I said that the leader of the Opposition had made no such remark as was imputed to him.

Mr. MAUGER.—I intend to show that he did make such a remark upon more than one occasion. I propose to quote, not from the *Age* newspaper, which the honorable member appears to dislike so much—

Mr. JOSEPH COOK.—I do not dislike it.

Mr. MAUGER.—The honorable member stated just now that the motive underlying the introduction of this Bill was not a desire to secure majority rule, but the dislike of the public of Victoria for the leader of the Opposition.

Mr. JOSEPH COOK.—I said no such thing.

Mr. MAUGER.—Then I do not understand the meaning of words. I asked the honorable member whether he thought that Professor Nanson was supporting the principle of preferential voting because he disliked the leader of the Opposition.

Mr. JOSEPH COOK.—And I said "No."

Mr. MAUGER.—The honorable member implied that the majority of the people of Victoria disliked the right honorable member for East Sydney, and that the *Age* was supporting this Bill from personal reasons.

Mr. JOSEPH COOK.—I simply denounced the virulence of the *Age* towards the leader of the Opposition.

Mr. MAUGER.—The virulence of that organ is not directed at the leader of the Opposition, but at the principles which he advocates. Speaking at Warragul on the 30th July, 1904, the right honorable member is reported by the *Argus* to have declared that he was endeavouring honestly and faithfully to carry out the principle of majority rule in the Commonwealth. He added—

What is it that enables one-third of the House of Representatives to keep about two-thirds in opposition? Is that majority rule? For the House of Representatives at the last election 186,000 electors voted for Labour supremacy in Parliament, and 350,000 electors voted for the two other parties, so you see 186,000 electors are over-ruling 350,000. For the Senate 500,000 votes were polled for the Labour Party, and 1,400,000 for the two other parties.

Surely that is an absolute condemnation of our present voting system?

Mr. MCCAY.—Is that a justification for the introduction of this Bill?

Mr. MAUGER.—It is a justification for any proposal which will insure majority rule.

Mr. MCCAY.—This Bill does not do that.

Mr. MAUGER.—That is a matter of opinion.

Mr. MCCAY.—It is a matter of arithmetic.

Mr. MAUGER.—I think that the Bill ought to go a great deal further than it does. It ought to provide for compulsory voting, and it ought to apply to elections for the Senate. Again, I find that the *Sydney Daily Telegraph* of 22nd August, 1904, reports the leader of the Opposition, in addressing the electors, to have said—

The existence of three parties is also destructive of parliamentary government, as all authorities describe it? Mr. Gladstone, voicing the general view, defined such government to be "The possession of executive power by a Ministry possessing the confidence of the majority of the representatives of the people." We have had no such Government in the Federal Parliament for a long time.

Mr. SPEAKER.—Order! I do not think that this Bill has anything whatever to do with the existence of three parties in this House.

Mr. MAUGER.—Except that if we could secure effective voting, we might be able to obtain results which would more clearly reflect the opinion of a majority of the electors. It is held by the leader of the Opposition that the three-party system does not reflect that opinion.

Mr. SPEAKER.—I would remind the honorable member that the question before the Chair is not the three-party system of government, or what the right honorable member for East Sydney may have said, but whether there shall be contingent voting at the next general elections, and at subsequent elections for the Commonwealth.

Mr. MAUGER.—But surely I shall be in order if I illustrate my point by showing that the present system of voting does not reflect the opinions of a majority of the electors?

Mr. SPEAKER.—If the honorable member proposes to show that whereas the present system of voting results in the return of three parties to the Parliament, the Bill would abolish three-party rule, he will be in order.

Mr. MAUGER.—Speaking at Melbourne, upon 1st September, 1904, the leader of the Opposition is reported in the *Sydney Daily Telegraph* to have stated—

In the last general elections in Victoria, five Labour men secured seats because the candidates against them, polling 12,000 more votes, could not agree as to which should fight for the seat . . . Five seats lost means ten votes lost in the House, and we shall go down again if that sort of thing is going to happen.

I contend that that is as powerful an argument as can be advanced in favour of majority rule.

Mr. JOSEPH COOK.—What is the honorable member endeavouring to do?

Mr. MAUGER.—I am attempting to prove that the honorable member was wrong when he declared that the Prime Minister had no ground for saying that the leader of the Opposition professed to be in favour of majority rule, but that when a proposal was introduced to achieve that end, he blocked it. The honorable member for Parramatta has said that I ought not to support this Bill at such a late stage of the session, because the Tariff question is of infinitely more importance.

Mr. JOSEPH COOK.—The honorable member supports the Bill because he dare not vote against it.

Mr. MAUGER.—Utter nonsense.

Mr. McLEAN.—If we deal with strangled industries this session, there will be no necessity for this Bill.

Mr. MAUGER.—The honorable member for Gippsland is pledged to fiscal peace.

Mr. McLEAN.—I am not pledged to anything.

Mr. MAUGER.—A little time ago my honorable friend urged that he could not consider the position of strangled industries on account of the pledge which he had given.

Mr. McLEAN.—The honorable member would not settle the Tariff question this session upon any account.

Mr. MAUGER.—I want to settle it in an effective way when we do attack it. The honorable member for Parramatta has urged that the introduction of this Bill is sudden; but I have shown that, as far back as 1904, the leader of the Opposition demonstrated the urgency of it.

Mr. McCAY.—Not of this measure.

Mr. MAUGER.—Will the honorable and learned member support taking the Bill into Committee, with a view to making its provisions effective?

Mr. McCAY.—That is exactly what I intend to do.

Mr. MAUGER.—I am merely discussing the principle which is involved in the Bill.

Mr. JOSEPH COOK.—Will the Government say that they intend to pass the Bill through Committee this session?

Mr. MAUGER.—Will the honorable member assist us to put it through Committee?

Mr. JOSEPH COOK.—I cannot prevent it being passed.

Mr. MAUGER.—There is no doubt whatever that a Bill of the kind ought to be agreed to this session, not only for the purpose of insuring majority rule, but for the purpose of doing away with the very evils of which the honorable member for Parramatta has complained. I hold that, unless the successful candidates of any party reflect the opinions of a majority of the electors, a very grave evil exists. By an effective system of voting, I believe that that result can be arrived at. There is not a man in touch with any organization who would not welcome any effective machinery which would do away with the evils of our present system.

Mr. FISHER.—Does the honorable member think that this Bill provides an effective method?

Mr. MAUGER.—I do not think that it goes far enough.

Mr. THOMAS.—It simply assists minority representation.

Mr. MAUGER.—Personally, I prefer the second ballot, and I certainly think that voting ought to be made compulsory, and that the Bill should also apply to elections for the Senate. But, if honorable members are in earnest in their desire to remedy abuses which have grown up under our electoral system, they should join me in an endeavour to make this Bill more perfect than it is.

Mr. KELLY.—The measure would make the position of affairs worst than it is.

Mr. MAUGER.—I do not think that the Bill—even if it were not improved upon—would make matters worse. If it were brought into operation, it would afford us an opportunity of detecting its imperfections, and of putting matters upon a proper basis.

Mr. McCAY.—But the Bill is based upon exactly the same principle as is our present system.

Mr. MAUGER.—At this stage I do not intend to reply to the speech delivered by the honorable and learned member. No stronger arguments could be advanced in favour of a system such as that which is embodied in the Bill than those which were urged by the deputy leader of the Opposition. He pointed out the evils which surround our present voting system, and he emphasized the fact that it does not insure the election of representatives to this House by a majority of the electors. Yet he says that the time is not

opportune to effect a change. When will the time be opportune?

Mr. McWILLIAMS.—Will the honorable member assist in making the system compulsory?

Mr. MAUGER.—I am prepared to do anything to make the scheme a practicable one. If the honorable member can show that his proposal is practicable, I shall be pleased to support it. If the position is anything like as bad as has been depicted by the honorable member for Parramatta, it is his duty to try to improve it.

Mr. KELLY.—Does not the honorable member think that the passing of this Bill on the eve of a general election would be rather confusing to the electors?

Mr. MAUGER.—I do not think that the electors are so unintelligent as the honorable member seems to believe they are.

Mr. KELLY.—Many mistakes arose at the last general election in connexion with the new requirement that the elector should put a cross in the square opposite the name of the candidate for whom he desired to vote.

Mr. MAUGER. — Not very many. Whilst I should like to see the contingent-voting system made compulsory, I am prepared to accept the Government proposal as a moiety of a reform the need for which will become more and more apparent as present conditions develop.

Mr. BROWN (Canobolas) [3.16].—I yield to no man in my desire that we should secure what is known as majority representation in the counsels of the nation. Every effort should be made to insure that Parliament shall reflect the will of the majority of the people; but, after carefully examining this Bill, I have arrived at the conclusion that it would not enable us to achieve that result. I am not convinced that it would carry us even a reasonable distance in that direction; it seems to me that it would make confusion worse confounded. It would be impossible for the electors, before the next general election, to master the details of the system which it embodies. But there are still stronger objections. When the first Parliament of the Commonwealth was dealing with the Electoral Bill, several new voting schemes were submitted, together with explanations, by the Chief Electoral Officer; but, in the end, the Department itself was so befogged that the responsible Minister was very glad to drop the proposed innovations. If the Government carry the Bills that have been fore-

shadowed we shall have several referenda with regard to contemplated amendments of the Constitution.

Mr. McCAY.—And it will take a man half a day to record his votes.

Mr. BROWN.—That is so. The Government propose at the next general election to take a referendum on the proposition that the Constitution shall be so amended as to enable the general elections to take place early instead of late in the year. They propose also to take a referendum on a suggested alteration of the Constitution in reference to the transfer of the States debts, and to take another in relation to what is described as "special duties"—which I understand covers a proposal to ear-mark certain revenue for specific purposes. Then, again, several important amendments of the Constitution are proposed by private members. In one case, it is proposed that a referendum shall be taken on the question of whether the Constitution should be so amended as to empower the Commonwealth to take certain action with regard to monopolies, and also to extend its powers to legislate in connexion with labour and industry. At the last general election, the Government of New South Wales took a referendum on the question of whether or not the Constitution of that State should be amended to provide for a reduction of the number of members of the State Parliament, and it has been suggested in many quarters that the first election of shire councillors under the new Local Government Act of New South Wales should take place simultaneously with those for the Federal Parliament. Having regard to these various referenda as well as to the fact that the electors will have to vote for candidates for both Houses, it seems to me that the position will be somewhat confusing, and that if, at this stage, we further complicated the present electoral system, defective as it may be, the result would be most unsatisfactory. We should probably have a repetition of our experience in connexion with the first general election in New South Wales, when, owing to the fact that there were something like fifty candidates for the Senate, many informal votes were cast, whilst some electors refused to go to the poll. I repeat that this Bill will not secure majority representation. The primary voting system enables us to ascertain directly the opinions of the electors with respect to a candidate.

and, indirectly, their view of the policy, which, for the time being, he espouses. When a vote is so split up that the successful candidate does not represent a majority of the electors, the inference is that the electors themselves are so divided in their opinions that it is impossible for a candidate to secure an absolute majority vote in that division. An attempt to secure a complete expression of the will of the people by means of preferential voting has been made in Queensland, and also in Tasmania, but from what we can learn from authoritative sources, it has not been wholly satisfactory. The contingent voting law in Queensland is practically a dead letter. Candidates representing all shades of political thought unite in recommending the electors not to avail themselves of the preferential voting provisions of the Act. The result is that those provisions are not availed of to any material extent, and do not appreciably influence the elections. Doubtless the same position would arise under this Bill. Is it worth while further encumbering our electoral machinery with the complicated provisions set forth in this measure? The only way to secure by a direct vote a true expression of the opinion of the majority of the electors is to have a second ballot, but the carrying out of that system is surrounded with difficulties. The extent of the Federal electorates and the expense which would be incurred in holding a second election, practically places such a proposal outside the arena of practical politics. This method of preferential voting practically means voting in the dark. When the Seat of Government Bill was under consideration, and honorable members had to select one of the nine or ten sites proposed, it was suggested that we should take a preferential vote; but when honorable members saw what that proposal would really mean, they promptly rejected it. They recognised that the knowledge they possessed of the way in which the primary votes would be cast would materially influence them in recording their contingent votes, and the result was that we had a straight-out ballot. The same difficulty would apply to an election under this system. If three or four candidates, were nominated for one electorate, electors would record their primary votes, and their second preference would depend largely on the position of their candidate and of the other two or more candidates. While I am desirous that that system shall be adopted which will enable the

wishes of the majority of the electors to find a clear and definite expression, I am not convinced that the measure provides it. In my opinion, the provisions of the Bill, if passed into law, would materially complicate the holding of elections, and would interfere in cases where no alteration is desirable. That being so, I cannot support the Bill, and shall vote against it, though if it gets into Committee I shall not offer it factious opposition, but shall do all I can to make it as perfect as possible.

Mr. WATSON (Bland) [3.33].—The experiment proposed by the Government is, under all the circumstances, worth making. Some four years ago, when a similar proposal was before the House, I opposed it, and the right honorable member for East Sydney has been good enough to refer recently to my attitude on that occasion. He ignores the fact that since then we have had a general election, which returned a large number of minority representatives. No fewer than thirteen of the members of the House were returned by minorities, and, though I do not contend that most of them would not have been elected under a system of exhaustive balloting, it is possible that they do not represent the views of the majority in their electorates. That in itself is a reason for reconsidering the position. Furthermore, I have of late had the opportunity to listen to the persuasive eloquence of the right honorable member, not in advocacy of the method of voting here proposed, but suggesting the desirability of some system which will remove the present anomalous position of affairs in this Parliament, and provide for majority rule. These considerations have weighed with me in coming to the decision that it is worth while to make an experiment to ascertain how far the optional system of contingent voting will be taken advantage of by the electors when there are more than two candidates. I am not prepared to go to the length of compelling electors to indicate their preference on the ballot-papers, because I fear that that would lead to the casting of a large number of informal votes. It is desirable that any new system adopted shall be made optional, so that electors who prefer to keep clear of possible entanglements may have their primary vote recorded. I am not prepared to do more than try the experiment of allowing an optional preference. It seems to me desirable, especially when three parties are contending for the suffrages of the

electors, that an effort should be made to give effect to the wishes of the majority. Whether the proposed system will benefit the Labour Party or one of the other parties, is problematical. No one can say how far it will assist any party if adopted at the forthcoming election. But the leader of the Opposition has emphasized so greatly the desirability of having returned a party with a strong working majority, that I think it worth while to make an effort to discover a system which will accomplish that. I am not wedded to the proposals in the Bill, and shall be prepared in Committee to vote for any other method which appears more likely to secure majority rule. As I have admitted in my public speeches for some considerable time past, it is not desirable that the three-party system should continue, no one party in the House possessing a majority.

Mr. JOSEPH COOK.—The Bill will not prevent that.

Mr. WATSON.—I do not say that it will; but any method insuring that effect will be given to the will of the majority of the electors will bring us nearer to what is desired.

Mr. DEAKIN.—The Opposition are upholding the three-party system now.

Mr. WATSON.—The right honorable member for East Sydney has appealed to the people of Australia to put an end to the three-party system, and I join with him in the desire to do so. It is highly desirable that one of the parties should have a working majority.

Mr. THOMAS.—Especially if it is our party.

Mr. WATSON.—Yes. It is a moot point whether the Bill will bring about that end, though I think that it will tend to do so. If in Committee any honorable member can suggest a method more likely to achieve what we desire, I shall support his proposal; but I do not know of any better method.

Mr. THOMAS.—Why not try any new system on the Senate?

Mr. WATSON.—I do not think that that would work. There are a number of difficulties to be met in making any experiment; but these difficulties would be greater in the case of Senate elections, where there are three candidates to be chosen, than in the case of the House of Representatives elections, where only one candidate can be chosen for each division. I am prepared to adopt the Government proposals as an

experiment; but if any better method is suggested in Committee, I shall vote for it.

Mr. DAVID THOMSON (Capricornia) [3.39].—I wish to indicate how I intend to vote in the event of a division. So much has been said against the preferential system, that there is little or nothing for me to add. The system is in force in Queensland, but it is very little used, because candidates nearly always ask their supporters to vote directly for them, without indicating their preference for others. As the system has not been found of much advantage in the Queensland State elections, I do not think it wise to adopt it for Commonwealth elections. A great deal has been said about majority rule, but I am not convinced that it is absolutely necessary, if two parties can agree to carry on the business of the country, that one of them shall have a majority in the House. Indeed, it is not always a good thing to have too strong a majority. The Opposition, perhaps, has found that out. I regard the preferential system as a useless one, and nothing is to be gained by placing on the statute-book a measure which will not benefit the people. We hear that the Bill is to be abandoned.

Mr. WATSON.—The Opposition say so.

Mr. DAVID THOMSON.—If it is to be abandoned, I think that it should be dropped at once. It has been suggested that it should be amended to make voting compulsory, fining those who do not go to the polls. That gives me another reason for voting against the second reading, because I am determined that no opportunity shall be given, so far as I am concerned, for the insertion of provisions of that nature. I am altogether opposed to making it compulsory to vote. That system might do for the towns; but the people of the country are very differently situated, and, in many cases, find it impossible to vote, however much they would like to do so.

Mr. GROOM (Darling Downs—Minister of Home Affairs) [3.42].—The Bill has been attacked on various grounds, but its fundamental principle still holds good, and is unassailable. All parties agree that the object of the measure is a good one, and that what we need is majority rule. The problem that confronts us is how to secure the expression of the will of the majority in the single electorate. Several systems have been spoken of. The proportional system

it has been forgotten that that system is inapplicable where there are single electorates. The one criticism directed against the measure has been that the system provided it not the best obtainable. The honorable and learned member for Corinella says there is a better one, which he calls the average system, and which would provide a remedy for the evils which now exist. When a ballot was taken on the Capital Sites question, the plan of excluding the lowest name on the list was discussed, and the honorable and learned member introduced another method which he said was known as the average system. The condemnation of that system for electoral purposes is to be found in his own judgment, which is given in *Hansard*, at page 3482, volume 20—

The system of averaging and knocking out the sites which have above the average of points, and retaining those which have below the average, and if necessary, re-averaging again, insures the adoption of the absolute choice of the House. The system could not very well be used at a general election, because, if the scrutineers had to count up 20,000 ones, twos, and threes their work would be stupendous. In an election of this kind, however, with a small number of votes, it is possible to adopt it, and produce such results as I have shown.

I contend that the honorable and learned member, in fairness to the House, should have told us, when he suggested that as a cure, that he had himself condemned it as absolutely impracticable. Instead of doing that, he left upon the minds of honorable members the impression that the method he suggested was a better one, and preferable to that proposed by the Government. He admitted, on a previous occasion, that it would be impracticable to apply the average system to an electorate containing 20,000 electors. I should like him to explain how the system could be practically applied to the Senate elections, seeing that there are 687,000 electors on the roll, and that 324,364 votes were recorded at the last election.

Mr. McWILLIAMS.—We applied the Hare system to an election at which 80,000 votes were recorded.

Mr. GROOM.—That is an entirely different matter. I have been furnished with a copy of an excellent article written by the Rev. T. J. Smith, M.A., and reprinted from the *Narracoorte Herald*, of 25th and

the average system of voting, and says—
I have myself used this method in various small church and other elections during the past twelve years, and I can bear witness both to the extraordinary power, simplicity, and finality of this method, and also to the excessive and wearisome toil involved in the scrutiny. And hence I do not think it possible for use in the large elections which occur in politics.

The only criticism levelled at the principle contained in the Bill, putting on one side the question of whether or not preferential voting should be made compulsory, was that it might work out differently, and would not give the same accurate result as could be arrived at by means of the average system. I have already shown that that system is impracticable, and, that being so, I would ask what method we are to adopt? Not a single honorable member has suggested any method better than that proposed by us.

Mr. McWILLIAMS.—It is all right if you make it compulsory.

Mr. GROOM.—It is left to the option of the majority whether they shall express their views in a certain way. I submit that if the majority who have a right to express this preference do not care to exercise it, we can rest content with having afforded them the opportunity. If the majority elect to say, "So far as we are concerned, although we have a right to exercise the option, we prefer to stand by our first vote, and if our candidate is not returned, we shall be content to abide by the result," what objection can be urged? Some persons may think that preferential voting should be made compulsory, but that consideration does not affect the fundamental principle. The exhaustive system of preferences provided for under the Bill is absolutely the best and most practicable that has yet been devised.

Mr. McLEAN.—The Minister has not yet replied to the vital objection urged by the honorable member for Corinella?

Mr. GROOM.—I have replied to the honorable and learned member. He stated that under the proposed system it would be quite possible to throw out a candidate whose election would be secured under the average system. But I have proved that the average system is hopelessly impracticable, whereas the method we propose can be effectively applied. We merely propose that if, on the first count, the votes indicate that one candidate is out of the contest, he shall be dropped,

and that the preference votes shall decide the issue as between the other candidates. I would ask honorable members to vote for the second reading of the Bill, even if they believe in introducing the compulsory element. It is the underlying principle that we want to affirm, namely, the desirability of obtaining an expression of the will of the majority as far as possible by means of the exercise of preference votes.

Mr. McWILLIAMS.—Has the preferential voting system been used in Queensland?

Mr. GROOM.—Yes. The results in five elections have been affected by the influence of preferential votes, but in many instances the preferential votes have not affected the results at all. I admit candidly that the system has not been used to the extent that was expected; but I would point out that when the matter was recently under discussion, and it was suggested that the preferential voting system should be dropped, the absolute equity and fairness of the principle was admitted. If it affords an equitable and just means of voting, why should we not stand by it. We have been told that we ought not to adopt it, because we do not propose to apply it to the Senate elections. As I have explained, however, we should have to deal with an entirely different problem in connexion with the return of representatives to that Chamber. A number of conflicting systems would have to be considered, and it would be extremely difficult to deal with the matter at this stage with any prospect of success. It may be considered that in connexion with the Senate we should arrange for proportional representation. It might be possible to adopt the Swiss system, under which we should have to divide the electors up and fix a quota, and allot to each party representation in proportion to its strength. That is one system that might be proposed.

An HONORABLE MEMBER. — Does the Minister favour that system?

Mr. GROOM.—I am only pointing out what systems can be considered. In the case of the election for the House of Representatives we have a simple matter to deal with, and can make all the necessary arrangements in time for the general election. In dealing with the Senate, however, we should have to face a number of difficult problems. Of course, if the Senate could come to an agreement on the point quickly, I should be very glad. We are proposing something

which is thoroughly practicable, and in connexion with which we can make all the necessary arrangements. No one has suggested that the electors are not sufficiently intelligent to enable them to vote in the manner proposed. The honorable member for Dalley admitted that the electors were just as intelligent as we were, and that they could exercise the franchise with due regard to the consequences of their actions. We have ample time within which to carry the new system into effect, and the electors can very readily be made acquainted with what is required of them. There is absolutely no reason why we should decline to take action with a view to securing that which we all desire, namely, a better representation of the people in Parliament. I trust that we shall have the assistance of the majority of honorable members in making the measure effective and bringing the new system into operation at the next general election.

Amendment negatived.

Original question put. The House divided.

Ayes	...	...	...	22
Noes	...	...	...	15
Majority				7

AYES.

Batchelor, E. L.	Maloney, W. R. N.
Bonython, Sir J. L.	McWilliams, W. J.
Chapman, Austin	Phillips, P.
Crouch, R. A.	Ronald, J. B.
Culpin, M.	Spence, W. G.
Ewing, T. T.	Tudor, F. G.
Fisher, A.	Watson, J. C.
Forrest, Sir J.	Wilkinson, J.
Groom, L. E.	
Kennedy, T.	
Lyne, Sir W. J.	
Mahon, H.	

Tellers:

Cook, Hume
Mauger, S.

NOES.

Carpenter, W. H.	McDonald, C.
Cook, Joseph	McLean, A.
Fowler, J. M.	Page, J.
Frazer, C. E.	Thomas, J.
Hutchison, J.	Thomson, D. A.
Lee, H. W.	
Lonsdale, E.	
McCay, J. W.	

Tellers:

Wilks, W. H.
Kelly, W. H.

PAIRS.

Deakin, A.	Robinson, A.
Isaacs, I. A.	Knox, W.
Salmon, C. C.	Hughes, W. M.
Watkins, D.	Webster, W.
Quick, Sir J.	Fysh, Sir P. O.
Chanter, J. M.	Edwards, R.
Cameron, D. N.	Skene, T.
Storror, D.	Brown, T.

Question so resolved in the affirmative.

Bill read a second time, and committed *pro formâ*.

Motion (by Sir WILLIAM LYNE) proposed—

That the House do now adjourn.

Mr. JOSEPH COOK (Parramatta) [4.3].—I should like to draw the attention of the Minister to the schedule of proposed duties which he has circulated in connexion with the reciprocal Tariff treaty which was made with the late Prime Minister of New Zealand. I have been looking through that schedule, and I find that a very important item has been omitted from the list of preferences. Whilst apples, pears, and grapes, are to be admitted into New Zealand at a lower rate of duty than was formerly charged upon them, I see that oranges are to receive no preference. Why that should be so, puzzles the wit of any ordinary individual. One would have thought that oranges above all other fruit would have been included in the list of items to which a preference has been extended.

Mr. SPEAKER.—I must ask the honorable member not to discuss the question, and thus anticipate debate upon a subject which already appears upon the business-paper.

Mr. JOSEPH COOK.—I should like the Minister to furnish an explanation of this very serious and inexplicable omission from the schedule.

Sir WILLIAM LYNE (Hume—Minister of Trade and Customs) [4.4].—In reply to the remarks of the honorable member, I can only say that it was not for lack of trying that we failed to induce the late Mr. Seddon to extend preferential treatment to Australian oranges. Both the Prime Minister and myself went almost to the point of breaking off negotiations with the late Prime Minister of New Zealand, in order to secure a preference to oranges, and to various other articles. But we could not induce him to yield.

Mr. HUTCHISON.—Did he give any reason for refusing to extend preferential treatment to oranges?

Sir WILLIAM LYNE.—He did. His reason was that their admission would interfere with the growers of oranges in certain parts of New Zealand.

Question resolved in the affirmative.

House adjourned at 4.5 p.m.

The President took the chair at 3 p.m., and read prayers.

VENTILATION OF CHAMBER.

Senator CROFT.—I wish, sir, to draw your attention to the following paragraph in the *Melbourne Age* of Saturday last on the state of the atmosphere in the chamber, more particularly in the press gallery.

Professor Osborne, of the Melbourne University, has verified completely the conjecture put forward in a paragraph published in the *Age* on 30th August, in which complaint was made of the state of the atmosphere in the press gallery in the Senate chamber at Federal Parliament House. Professor Osborne visited the chamber on Thursday last, and, making his way unostentatiously to the press gallery, he obtained samples of the atmosphere. The visit was paid at about 10.20 p.m., and on completing his scientific tests Professor Osborne found that the sample contained carbon dioxide in the proportion of 27.7 per 10,000. This is the most vitiated sample yet obtained by Professor Osborne, who in a lecture which he delivered a few days ago declared that if the percentage of this gas rose above 10 per 10,000 life could not be maintained at its best.

I desire to ask you, sir, if some action cannot be taken to improve the atmosphere in the press gallery, and also in this portion of the chamber, to which, I may add, Senator Pearce referred some time ago.

The PRESIDENT.—Senator Pulsford drew my attention to the paragraph a few moments ago. It is perfectly easy to alter the state of affairs; but then, if we made an alteration, the probability is that at least one half, if not more than one half of the senators, would complain of draughts in the chamber. Suppose, for instance, that the curtains were removed and the side galleries opened, it would give us an immense supply of air in the chamber. I understand that Professor Osborne made his test under very exceptional circumstances—when we were sitting until 3 o'clock in the morning.

Senator CROFT.—No, the sample was taken at 10.20 p.m.

The PRESIDENT.—Of course, it is perfectly easy to alter the state of affairs, but the question is whether if an alteration were made it might not lead to draughts, which would be very objectionable to a great many senators. If the Senate expresses a wish to have the curtains removed

and the side galleries opened, that can be done.

Senator HIGGS.—The ventilators could be opened. They are closed at present.

The PRESIDENT.—I can have the ventilators opened if it is desired. I am only too happy to have anything done which the Senate may desire. In this matter of ventilation, it is very difficult to please everybody. Schemes have been tried all over the world, in all manner of chambers, and a satisfactory solution has not yet been arrived at. However, I shall have the curtains taken down if honorable senators so desire.

Senator TRENWITH.—Try the opening of the ventilators first.

Senator PEARCE.—If the curtains were taken down it would only enlarge the space, and would not admit fresh air.

The PRESIDENT.—Oh, yes it would.

Senator PEARCE.—The doors are closed. I would suggest, sir, that in the first instance, an experiment be made to see if bad air cannot be let out through the ventilators.

HONORABLE SENATORS.—Hear, hear.

The PRESIDENT.—That shall be done to start with.

PROPOSED TARIFF CHANGES.

Senator PULSFORD.—I desire to ask the Minister of Defence, without notice, the following questions:—

Will the Government have returns prepared and laid on the Table without any needless delay showing:—

- (a) The increases and decreases of revenue expected to result from the proposed Tariff changes.
- (b) The basis of the preferential arrangements made by Canada, South Africa, and New Zealand respectively.
- (c) The amount of the imports that have paid duty under (1) the preferential rates, and under (2) the ordinary rates year by year in each of the three countries since preference was adopted, giving also the totals of dutiable imports for the three preceding years.
- (d) In the case of Canada, the imports subject to duty from the United Kingdom and the United States respectively for each of the last ten years.
- (e) The percentage of the amount of the imports subject to preference as compared with the duty-paid goods not so favoured.
- (f) A division of the imports for 1905 of the articles now proposed for preference by the Commonwealth, showing in regard to each item the respective imports from—(1) the United Kingdom, (2) Canada, (3) India and other British Asiatic Possessions, (4)

other British Possessions, (5) Japan and China, (6) United States, (7) all other foreign countries, (8) the totals

- (g) The imports into the Commonwealth during 1905 which, under the suggested arrangement with New Zealand would be subjected to higher duties, showing separately the imports—(1) from the United Kingdom, (2) from other parts of the Empire, and (3) from foreign countries.

- (h) Any other information considered necessary to a full and correct understanding of the proposed agreement with New Zealand, and of the preference proposed to be given to the United Kingdom.

Senator PLAYFORD.—Under ordinary circumstances I should be very pleased to tell the honorable senator that I would obtain the information for him, but I am not in a position to say whether it can be readily obtained, or whether it would entail a large expenditure to comply with his request. I think that he ought not to press for a reply at once, but should give notice of a motion for a return. We should then be in a position to see whether the return could be readily obtained, whether it would entail a large expenditure, whether we could agree to all the terms of the return, or whether we might wish to vary them.

Senator PULSFORD. — I can assure the Minister that the whole of this information can be obtained without incurring any expenditure.

Senator PLAYFORD.—Under ordinary circumstances I am willing to take the assurance of the honorable senator, but in this matter I prefer to take the assurance of my expert officers. I think that he had better give notice.

The PRESIDENT. — I think that the information ought to be obtained in the form of a return. Of course, I do not give a ruling, but merely express my opinion. I cannot bear all the details in my mind. Does the honorable senator give notice of a question, or a motion for a return.

Senator CLEMONS.—Will the Ministry accept the motion as formal if given notice of?

Senator PLAYFORD.—No, I might want to speak upon it.

Senator CLEMONS.—The Minister will not oppose it?

Senator PLAYFORD. — I might oppose part of it.

Senator PULSFORD.—I prefer to give notice of a question. I can assure

within half-an-hour I could give the Minister nearly all the information I ask for.

Senator STYLES.—Then why ask for the information?

Senator PULSFORD. — I want the information to be given officially.

TRAVELLING MAIL OFFICERS.

Senator STEWART. — I desire to ask the Minister representing the Postmaster-General, without notice, the following questions:—

1. Is it the case that the travelling mail officers on the Toowoomba to Roma line, Queensland, work while on duty from 19 to 28 hours without any interval for sleep?

2. If not, what are the hours worked?

3. Is it the case that one officer who had been employed on that line is now, or was recently, absent from duty on sick leave?

4. If so, what was the nature of the illness as certified by his medical attendant?

5. Is it the case that another officer on the same line was recently suspended for falling asleep on duty?

6. If so, what punishment was inflicted for the offence?

Senator KEATING. — The honorable senator asked these questions pursuant to notice on the 22nd August, when I informed him that inquiries were being made, and that the information when forthcoming would be supplied to him. The Deputy Postmaster-General for Queensland has furnished the following answers:—

1 and 2. Owing to awkward running of trains sorters leave Toowoomba once a fortnight, on Thursday for Roma and back, travel continually 20 hours, and once a fortnight leaving Toowoomba on Friday they travel continuously 21½ hours. Efforts have been made to reduce these long hours, but present sorters are opposed to any change in their running while existing railway time-table is maintained, as they state return trip from Roma on each occasion referred to admits of a little rest being taken, and on conclusion of Thursday's trip they have four clear days off duty, while the intermediate trips always allow good rest at Roma and Toowoomba.

3. One sorter was absent from duty on account of sickness from 6th to 30th July, and has again been absent since 3rd August.

4. The cause of his illness is certified by his medical attendant to be nervous prostration and irregular heart action.

5. No officer has been suspended for falling asleep on duty; one travelling sorter was suspended on 31st July for neglect of duty by (a) delaying mailman at Toowoomba Railway Station for 25 minutes; (b) for misissending to the Toowoomba office between 300 and 400 Brisbane letters, &c.; such negligence evidently due to excessive use of intoxicants.

6. He was fined £3.

Senator PEARCE asked the Minister representing the Minister of Trade and Customs, *upon notice*—

1. Has the Minister had his attention drawn to the following telegram in the Melbourne Age of 30th August:—

"The Wrecked *Orisaba*.—Injured Workman's Claim. Perth, Wednesday. At the Fremantle Court judgment was delivered in the case in which Andrew Fry sued Richard Bradbury, under the Workers' Compensation Act, for £300 for injuries received while breaking up machinery on the wrecked R.M.S. *Orisaba*, on 17th January. His Honour, in giving judgment, said the Court had no jurisdiction, as the *Orisaba* was outside the territorial limits of the State. Moreover, the *Orisaba* was not a factory within the meaning of section 2 of the Workers' Compensation Act. Judgment, with costs, was entered for defendant."

2. What is the distance of the wreck from the nearest island?

3. Is the territorial limits of the Commonwealth a distance of three miles from the mainland, or three miles from any island which is part of the State?

4. If the wreck of the s.s. *Orisaba* is within three miles of an island, in view of this judgment what steps do the Government intend to take to safeguard the scope of the Commonwealth jurisdiction in respect to the territorial limits of the Commonwealth?

Senator PLAYFORD.—The answer to the honorable senator's questions is as follows:—

The matter has been forwarded for the consideration of the honorable the Attorney-General.

We are not in a position to answer the questions straight away.

TOBACCO MONOPOLY COMMISSION.

PUNISHMENT OF A WITNESS.

Senator FEARCE asked the Minister representing the Attorney-General, *upon notice*—

1. Have the Government completed their inquiry into the case of James Stone, who, it is alleged, was discharged by the British Australasian Tobacco Company, Sydney, because of evidence given by him before the Royal Commission on Tobacco Monopoly?

2. If so, do the Government propose to take any further steps in the matter?

Senator KEATING. — The answer to the honorable senator's questions is as follows:—

Consideration of this matter has been delayed by urgent public business, but it is expected that definite information will be placed before the Senate in a few days.

CONTRACT IMMIGRANTS.

Senator PEARCE asked the Minister representing the Minister of External Affairs, *upon notice*—

1. In respect to the question asked the Minister on 16th August, relative to the complaint of the Coastal Trades Council of Western Australia, as to the alleged importation of a printer's machinist under contract; has the Department yet completed the inquiries the Minister promised to have made in this case?

2. If so, what is the result of the inquiry, and what action do the Government propose to take?

Senator PLAYFORD.—The answer to the honorable senator's questions is as follows:—

No, but a telegram was received from the Collector of Customs, Fremantle, on the 3rd September, stating that the papers in the matter are still with the police authorities, and that exhaustive inquiries are being made. The Collector hopes to be able to forward the result of the inquiries this week.

When those are forthcoming we shall be only too pleased to give the honorable senator the information.

VOTING MACHINES.

Senator PEARCE asked the Minister representing the Minister of Home Affairs, *upon notice*—

1. In regard to the promise of the Minister on 27th July that he would bring the matter of voting machines under the notice of the officials of the Electoral Department with a view to ascertaining if the machines could be tested at the forthcoming election, has the Minister had a consultation with the officials on the subject, and if so with what result?

2. If not, will he take steps to have inquiries made in the matter?

Senator KEATING.—The answer to the honorable senator's questions is as follows:—

The matter is still under consideration. The officers of the Department have reported that if any trial be decided upon it will be more prudent that it be at a by-election than at the forthcoming general election, when the electors and the staff will have, on the one day, to deal with voting for candidates for the Senate, the House of Representatives, and possibly alterations of the Constitution and a State referendum.

Senator PEARCE.—The answer to the first question is that the matter is still under consideration, and I desire to know whether the Government will come to a conclusion, so as to give the Senate definite information, before the close of the session?

Senator KEATING.—The answer to my honorable friend's inquiry is that the difficulties presented by the forthcoming general election are such that, in the opinion

of the officers of the Department, a test could not properly be made, but I can assure him that there is every desire on its part to adopt the latest and most up-to-date method with regard to the recording of votes. The reply indicates that, in the opinion of the officers, who are experienced in these matters—necessarily much more experienced than the Minister—a by-election rather than a general election, such as is before us, would afford the best opportunity for making a test. Any information which the honorable senator may require with regard to the matter, I shall be pleased to supply to him either in answer to a question or on representations which he may make either to me or to the Minister of Home Affairs. I can assure him that the Department is fully alive to the necessity of making the method of recording votes thoroughly up-to-date.

PAPERS.

Senator KEATING laid upon the table the following papers:—

Repeal of general postal regulation 1 (prepayment of postage), and substitution of new regulation; and amendment of telegraphic regulations (telegrams within and beyond the Commonwealth), Statutory Rules 1906, No. 62.

Amendment of telephone regulation 6 (private telephone lines in country districts), Statutory Rules 1906, No. 69.

The CLERK laid upon the table:—

Returns to orders of the Senate, dated 29th August, relating to the O'Brien and Richmond cases, Administration of Papua.

Ordered to be printed.

AUSTRALIAN INDUSTRIES PRESERVATION BILL.

Debate resumed from 31st August (vide page 3739) on motion by Senator PLAYFORD—

That the report be adopted.

Senator CLEMONS (Tasmania) [3.16].—I move—

That the Bill be recommitted for the reconsideration of clause 17, and sub-clause 2 of clause 18; and for the consideration of a new clause.

I do not think it necessary at this stage to speak to the motion.

Senator DRAKE (Queensland) [3.17].—I second the motion for re-committal. When this order of the day was before the Senate on Friday, I rose to speak; but while I was addressing the Senate a point of order was raised by Senator Millen. Afterwards the adjournment of the debate was moved by

Senator Clemons. I had not finished what I desired to say at that time. Perhaps Senator Playford will indicate whether he is willing to consent to the recommitment of the Bill.

Senator PLAYFORD.—No.

Senator DRAKE.—It is merely a matter of convenience. Had the Bill gone into Committee again, I should have been able to speak upon the two principal subjects as to which I desire to see amendments made. As it is, I shall have to discuss the two matters together. What is now sub-clause 2 of clause 18 was amended at the instance of Senator Pearce. It was formerly sub-clause 3 of clause 18. It reads at present—

In determining whether the competition is unfair, regard shall be had to the management, the processes, the plant, and the machinery employed or adopted in the Australian industry affected by the competition being reasonably efficient, effective, and up-to-date.

Senator Millen expressed a desire that the Bill should be recommitted, in order that we might see how that sub-clause would read as amended. As it stands now, I venture to say that it is not such a provision as ought to be passed by the Senate. Its grammatical construction is faulty; it is ambiguous; and it is vague. Those are three defects which would be considerable in any Act of Parliament. Let honorable senators read it carefully.

In determining whether the competition is unfair regard shall be had to the management . . . being reasonably effective—

and so on. That is not the best possible way to express the evident meaning. The provision is also ambiguous, inasmuch as it does not say, as it should do, what is to be the effect of the consideration upon the processes, plant, and machinery.

Senator PEARCE.—It says "regard shall be had."

Senator DRAKE.—It does not say whether the "having regard" to these matters is to result in a more or less favorable consideration being given to the case. When the subject was first discussed, several honorable senators were under the impression that young industries that were struggling, and which consequently had less efficient machinery than well-established industries might be expected to have, would have greater consideration shown to them than the more highly developed industries. That is to say, it was understood by some that the owner of a business which was struggling along under

difficulties through want of capital would receive more consideration than would the proprietor of a highly-capitalized factory. But we now have it from the Government that what the provision means really is that an industry that is struggling through want of capital, and inefficient plant and machinery, is to be actually handicapped under this Bill.

Senator PEARCE.—It does not say that. It says that that shall not be the sole reason.

Senator DRAKE.—But what does it mean? We have been discussing the Bill up to the present time on the understanding that what it meant was that help was not extended to a factory unless its processes, plant, and machinery were efficient and up-to-date. If it does not mean that, let its meaning be clearly expressed. Let there be no doubt about it. The ambiguity that I complain about is that the sub-clause does not state whether the inefficient machinery is to be the only matter dealt with.

Senator PEARCE.—We have similar words in clause 10; why did not the honorable senator object to them?

Senator DRAKE.—That clause may have slipped through when I was not watching the Bill so closely. But it does not justify our leaving sub-clause 2 of clause 18 in its present condition.

Senator CLEMONS.—We can recommit clause 10, also.

Senator DRAKE.—I draw attention to this sub-clause, because it throws a flood of light upon clause 17. It is, I repeat, ambiguous in that it says that regard is to be had to certain things, whilst it does not say that having regard to those things is to secure more or less favorable consideration. It is terribly vague. The word "reasonably" has been inserted—a very comforting sort of word for weak consciences; because in its present form the clause satisfies some honorable senators, perhaps, that it cannot be pushed quite so far as it could have been pushed originally. But it is left entirely for the Court to determine what "reasonably" means; and there is not a more dangerous practice than to put words like that into Acts of Parliament, leaving it for the Court to construe them. In every case, the Court will have to construe the word "reasonably" with the probability that in no two cases will the same meaning be attached to it. There are, therefore, three faults which justify my action. The sub-clause is ambiguous;

it is vague in regard to conveying exactly what is intended, and it is ungrammatical. As I said before, it is not a right thing that the efficiency of the machinery, the plant, and the processes should be the sole test. We can easily understand cases in which a young industry struggling with difficulties, if it complied with all the requirements of this Bill, and could show that it was being crushed by unfair competition on the part of importers, would afford a case in which it would be far more justifiable to exercise the powers contained in the Bill than it would be to use them for the benefit of an industry that was fully equipped and up-to-date. We can imagine such a case, at all events. I should be in favour of striking the sub-clause out. It has got in, I feel perfectly sure, through a misapprehension. The Government has not before dealt with a Bill of this character prohibiting imports. It contains a principle that is very good when applied to protective duties which operate fairly all round, and give just as much benefit to the small as to the big producer. The correct principle with regard to import duties is that they shall operate to protect an industry as long as it is carried on by efficient methods, but that competition shall not be prevented if there is any slackness with regard to machinery, processes, or management. Such duties do not amount to prohibition. But this provision can only operate for the benefit of the big manufacturer, and not of the small man. Therefore, I urge that this test of efficiency and up-to-dateness in machinery, plant, and appliances should not be the test in this case. Clause 17 is closely connected with the provision which I have been discussing. It may be, perhaps, that in consequence of my action the Senate did not have an opportunity to vote in favour of any modification of the clause. Perhaps I was over sanguine, when I pointed out the objections to it, in thinking that honorable senators would be willing to reject the whole clause. Therefore, I devoted my efforts to defeating it. The consequence was that, after a vote had been taken upon the clause as a whole, it was impossible to move any amendment. What I now desire is that the Senate shall recommit the clause, in order that an amendment may be proposed in it. At present it reads:—

Unfair competition has in all cases reference to competition with those Australian industries the preservation of which, in the opinion of the Comptroller-General or a Justice, as the case

Senator Drake.

may be, is advantageous to the Commonwealth, having due regard to the interests of producers, workers, and consumers.

The amendment that I propose to move in Committee is to omit the words "Comptroller-General or" and the words "as the case may be." The clause would then give power to a Justice of the High Court to say that an industry which made an application for assistance was not worth preserving, but it would take away that power from the Comptroller-General. This, I think, would be a very fair compromise. When we speak of the Comptroller-General we do not refer to a particular person, but merely to the principal officer of the Customs Department; and I say that it would be almost an unheard-of thing to give such a power to the Comptroller-General. According to clause 16, an industry is not an industry within the meaning of the Bill unless it pays adequate remuneration and complies with the provisions regarding fair terms and conditions. Honorable senators may remember the agitation started by a certain newspaper in Melbourne on behalf of what were called "strangled industries." That newspaper sent out its young men to ask manufacturers whether they did not require some more protection. Not only were the big manufacturers in Collins-street interviewed, but also the smaller men in the back streets and suburbs; and the latter certainly did not imagine, when they were supplying the information, that they would be placed in the position in which this Bill places them. The smaller manufacturers did not imagine that if they went to the Comptroller-General with a complaint that they were being crushed out by foreign competition, they would be told that the Commonwealth law was not for such as they—that if they could not stand against foreign competition they must go down. It was never imagined that the Comptroller-General would have power to say, "You go away and economize; cut down your wages and employ five apprentices for every man; enter into combination and crush out your rivals; and when you have established a big business, and, by means of up-to-date plant and machinery, have strangled your rivals, and have set up a palace in Collins-street, with plate-glass windows, and you are making £20,000 a year, you may come to us, and we will help you to establish a monopoly."

Senator DRAKE.—That is what will happen if we give this power to the Comptroller-General to act on what is necessarily incomplete evidence. I should have liked to strike out the clause; but the amendment which I now suggest would leave this enormous power with the Justice, while removing it from the Comptroller-General. In a Bill of this kind we should certainly not give the power to an officer of the Customs to check any application from an industry which has been described as being "strangled."

Senator STANFORTH SMITH.—Would it not be enormously expensive to take every case to the High Court?

Senator DRAKE.—It would have to be proved that the applicant represented an industry which was paying fair remuneration and observing proper terms and conditions, and that the industry was in danger of being destroyed by unfair competition. According to clause 18, it would have to be shown that the industry was being crushed by unfair foreign competition. Why, then, should the representative of such an industry be prevented from going before a Justice of the High Court? Why should all the powers to prohibit imports be reserved for cases of big businesses, which have been built up, perhaps, by the destruction of rivals, and have arrived at a stage when they are able, at all events, to make a bid for a monopoly? The peculiar thing about the Bill is that it is absolutely opposed, in substance, to what it pretends to be. The title of this Bill describes it as one to repress monopolies, whereas in reality it is a Bill to create and maintain monopolies. It is called a Bill for the Preservation of Australian Industries; but we find that it is a Bill to preserve only certain industries which the Comptroller-General is prepared to certify are worth preserving. I trust that the Senate will allow the recommitment of the Bill, in order that we may reconsider this clause. I should like to remind honorable senators that when the Watson Government went out of power, the great complaint was that the majority in another place would not allow the Arbitration and Conciliation Bill to be recommitment for the purpose of reconsidering a clause. But the case for recommitment on that occasion was not nearly so strong as the case we have before us to-day. Clause

majority were not prepared to state the exact alteration that they desired; the real object was to put the Bill into the melting pot, in order to see in what form it would emerge. I ask honorable senators to recommit this Bill, in order to consider an amendment of a clause which was decided upon, on a division, before an amendment had been moved. I have been informed that if an amendment had been proposed, it would have obtained more support than I was able to get for the striking out of the clause. I ask honorable senators to recommit the Bill in the interests of those smaller industries, which, in consequence of want of capital, are in more urgent need of help. There is another ground for a recommitment that has occurred to me more recently—certainly since we finished the consideration of the Bill in Committee. We have had laid on the table since then a preferential trade treaty with New Zealand, and also a statement of a new scale of duties with regard to our trade with Great Britain and the world. I know that I must not anticipate discussion on those proposals, and that I can only refer to them in order to show how closely they are connected with the measure before us. In the case of New Zealand, we have actually entered into a preferential trade treaty, and the duties are now being collected. Under that treaty, we agree to a certain scale of duties on goods as between the two places. I have no doubt that it has already struck the Government that one of the effects of a trade treaty is that we, to a certain extent, stereotype our duties. After we have made a treaty in regard to the duty on a certain article, Parliament is not free to alter that duty during the currency of the treaty. That is a good reason, perhaps, why, if more of our duties were fixed by treaty—

Senator MCGREGOR.—Have those treaties been ratified by either House of Parliament?

Senator DRAKE.—The treaty power lies with the Executive, which makes the treaty. I may say, in regard to the agreement with Great Britain, that that does not occupy the same position exactly as the treaty with New Zealand. In the case of Great Britain, we are getting no consideration for the treaty, and, consequently, it is open to us at any time to go back from the offer we have made.

Still, I think most of us will agree that we should consider ourselves bound not to do anything in derogation of the offer we have made. In the case of New Zealand, however, we have made a treaty that, from a certain date, goods from that Colony shall be received at a certain rate of duty; and it must be clear that, without breaking the treaty, we could not raise those duties in the slightest degree against New Zealand. Is it not a clear *à fortiori* that we could not prohibit those New Zealand goods—that we could not prevent them coming in at the rates of duty decided upon? It is clear that in passing this Bill, which gives power to the Executive to refuse to receive certain goods even when they pay the fixed rate of duty, we are making a law with provisions in derogation of the treaty. We have made a bargain with New Zealand that on condition they receive certain of our goods at certain rates of duty, we shall receive certain of their goods at certain rates of duty.

Senator TRENWITH.—If we receive them at all.

Senator DRAKE.—No, not “if we receive them at all.” Such a condition as that has never been put in an agreement of the kind, nor ever will be; it would be absurd. Fancy a nation starting out to make a treaty and—

Senator TRENWITH. — Does the honorable senator say that, if we had a treaty with New Zealand in which opium was included, and we adopted as a general policy the exclusion of opium, we should be compelled to receive opium under the treaty?

Senator DRAKE.—We could not alter the law without breaking the treaty. India is the country which produces opium, and, if we had a trade agreement with that country, under which we undertook to receive opium without charging a duty, on condition that India freely admitted certain of our goods, we could not, during the currency of that treaty or agreement, impose a duty on opium. And if we could not impose a duty, we certainly could not prohibit the importation of opium without a breach of agreement. Senator Trenwith must know what is involved in a treaty. By a treaty we bind ourselves absolutely to do certain things; and, if under a treaty with New Zealand the duty on a certain article were 3s., we could not, without breaking the agreement, impose a duty of 3s. 3d. If that be so, how much less would we be in a position to

prohibit the importation of an article. I desire that honorable senators should see how flagrant a breach of the treaty that would be. In the case of Great Britain we have not made a treaty, but an offer to grant certain preferences, and apparently we can withdraw our offer next week if we like. We are saying to the manufacturers and exporters of Great Britain, “You send out certain goods, and we will admit them at a duty of 2s., whilst we will charge 3s. to manufacturers and exporters from all other countries of the world.” Australian importers who may previously have been doing business with foreign countries may transfer their orders to Great Britain. An Australian importer, in anticipation of a big trade, may place a large order with a British manufacturer or exporter, and on getting the goods here he may sell them cheaply on the local market. A local manufacturer producing the same article may complain to the Comptroller-General that his industry is being crushed by this foreign competition, and if he makes out a good case the Government who have made the treaty with Great Britain will prohibit the landing of the goods. The subject of the nation with whom we have made the treaty may be perfectly innocent of what is intended to be done on this side, and yet because the goods he is sending out are being sold here cheaply contrary to the policy of this maker, he may get a telegram telling him not to proceed with the order because the importation of his goods is prohibited in Australia. In the meantime, another local importer importing the same goods from a foreign country, and selling them without any reduction in price, is permitted to continue his business, and the manufacturer or exporter in the foreign country with whom we have no treaty is allowed to continue his operations.

Senator PLAYFORD.—Because he is not dumping.

Senator DRAKE.—Whilst the Australian Government prohibit the importation of goods exported by the subject of the favored nation.

Senator TRENWITH.—Because by that importation the Australian law is being broken.

Senator DRAKE.—No such law may have existed at the time.

Senator MCGREGOR.—There will be such a law.

Senator DRAKE.—I direct the attention of honorable senators to the morality of Senator McGregor's interjection. There is no such law at the time the treaty is made, and the honorable senator says—"We will make a law to-morrow."

Senator MCGREGOR.—The treaty has not been assented to by Great Britain.

Senator DRAKE.—So we are in a position to break it? We can offer something this week, and withdraw our offer next week?

Senator MCGREGOR.—Great Britain has not yet accepted our offer.

Senator DRAKE.—Is not this a deplorable beginning in setting out as a treaty-making nation? We start by saying, "We shall make a treaty this week, and if we please will break it next week." What reliance could be placed on a Government that would make a treaty with a reservation in the terms of Senator McGregor's interjection, "We can make a law to override the treaty to-morrow"? It will be a very bad thing for us if it goes forth to the world that our Administrators are prepared to make treaties this week, and to pass laws to evade them next week. I said that I would come back to the point about an offence being committed here as the result of which the subject of a nation with whom we have made a treaty will lose the advantage of that treaty.

Senator PEARCE.—The honorable senator does not describe the Government proposals with regard to Great Britain as a treaty?

Senator DRAKE.—No; I have said that they do not constitute a treaty, but as an honorable Parliament and Government those proposals should be as binding upon us as if they did constitute a treaty. Under this Bill, apparently, we shall be justified in breaking the treaty actually made with New Zealand.

Senator MCGREGOR.—That is a different thing.

Senator DRAKE.—People are differently constituted, and, to my mind, it is on exactly the same plane. The one is a treaty, and the other is an offer of preferential trade without any consideration. In respect of the latter, at all events, we have claimed, in the eyes of the world, as much credit for it as if it had been a treaty. Every lawyer is aware that an agreement is not binding if it is made without consideration, but a man who received the benefit of such an agreement and evaded it would consider himself a very mean creature if he

set up the defence that it was made without consideration.

Senator PEARCE.—There must be two parties to an agreement, and in the case of the proposal with respect to the United Kingdom there is only one.

Senator DRAKE.—Yes; but we have made an offer, and if Great Britain gave us anything at all in return it would be binding.

Senator PLAYFORD.—We have made no offer at all. We have simply done something ourselves, without any offer from Great Britain.

Senator DRAKE.—We have done something ourselves, and have talked to the world about it as though we had concluded a preferential treaty.

Senator PLAYFORD.—I thought the honorable senator was in favour of it?

Senator DRAKE.—I was, and I am in favour of it now; but I am absolutely against this Bill, which is in derogation of that policy. We are taking the right, under this Bill, to prohibit the importation of goods we have agreed to admit at a certain duty.

Senator TRENWITH.—We are taking the right to prohibit their importation if they are imported under improper conditions.

Senator DRAKE.—When the honorable senator refers to "improper conditions," I might quote from a magazine article just published with regard to the Sherman law to show that some of these trade agreements are quite right, whilst others may be wrong; but, under this Bill, we bunch them all together, and assume that they are all criminal. That, however, is by the way. I moved an amendment in clause 19, which, I think, Senator Pearce described as "frivolous." The honorable senator might, I think, have attached to it almost any other epithet but that. If he intended to convey that the Government, having their majority, were not prepared to listen to reason, the honorable senator might have described the moving of my amendment as a waste of time, but certainly not as frivolous. Under this Bill an offence may be committed by a single person, and probably by a person operating in Australia. I desire to amend that to provide that no offence should be assumed to have been committed unless there was proof of a combination. Having regard to the apparent scope of the Bill I thought that it was meant to deal particularly with combinations, and amongst others,

with a combination of a merchant or importer here and a merchant or manufacturer in another country with the object of flooding the local market. My amendment was rejected, and under the Bill as it stands an offence might be committed solely by some person in Australia. I commend that to the attention of Senator Trenwith. We make an agreement with another nation that we will admit goods produced by the subjects of that nation at a certain rate of duty. We continue to do so for a time. Some one in Australia orders goods from the favoured country, and the manufacturer or exporter there from whom the goods are ordered knows nothing whatever about what the local importer intends to do with the goods. When the goods are landed in Australia the local importer sells them cheaply, contrary to the policy of this Bill, and, as a consequence, their importation is prohibited. We refuse to take the goods exported by the subject of the favoured nation because of some offence against our law committed by a local importer. Could Senator Trenwith justify that?

Senator TRENWITH.—We refuse to take those goods through an offender against our laws, but the exporter may continue to send his goods through any one else.

Senator DRAKE.—But, in the meantime, the importation of the goods is prohibited, and the business of the man sending them out may be ruined.

Senator TRENWITH.—We prevent the man here who has offended against our law from continuing to import the goods, but the man on the other side is not prevented from continuing to export his goods to Australia.

Senator DRAKE.—The admission of the goods is prohibited here, and the man sending them gets a cable from Australia to say that his goods are prohibited. Some manufacturer in Australia, who may previously have been getting his goods from Germany or the United States, transfers his orders to Great Britain, because of the preferential duties offered to British exporters. He may place a large order with a British manufacturer for shipment after shipment of his goods covering a period of six or twelve months. The British manufacturer may be perfectly innocent of all knowledge as to what the local importer intends to do with the goods. When the local importer gets the goods here, he commences to sell them cheaply. A local manufacturer of similar goods complains

to the Comptroller-General that the local importer is importing these goods from abroad and selling them too cheaply.

Senator TRENWITH.—The honorable senator knows that selling the goods too cheaply is not the offence. It is selling them with the intent to destroy the Australian industry that is the offence.

Senator DRAKE.—Selling them at a price greatly below their ordinary cost of production is the offence, and if they are sold in Australia at a price which does not give the person importing and selling them a fair profit on their fair foreign market value it is also an offence.

Senator TRENWITH.—The honorable senator is assuming legitimate trade, but what he refers to now is illegitimate trade.

Senator DRAKE.—I shall assume illegitimate trade if the honorable senator pleases. Because of these preferential proposals a local merchant previously doing business with the United States manufacturers sends a large order for goods to a British manufacturer, he accepts the British manufacturer's prices, and when he gets the goods here, sells them at a lower price. That is an offence against this Bill.

Senator PEARCE.—Not unless the manufacturer sells the goods at a price less than the cost of production.

Senator DRAKE.—There is nothing in the clause to which I refer about the cost of production. The manufacturer can sell his goods at any price he pleases. Surely it would not be an offence for a British manufacturer to sell his goods cheaply to a local importer? How can the price at which a manufacturer on the other side of the world sells his goods to a local importer injure the local industry for the production of those goods? How can the local industry be interfered with in any way other than by the price at which the goods are sold here. To continue my illustration, a local importer places an order with a British manufacturer for goods to be sent out month after month for a period of six or twelve months. He sells those goods in the local market at a certain price. A local manufacturer complains, and if his complaint is held to be good the importation of the goods is stopped at the Customs House.

Senator FRASER.—Even under a treaty.

Senator DRAKE.—Even under a treaty, and although no offence whatever may have been committed by the subject of the favoured nation with whom we have made

the treaty. Because goods are sold cheaply by a local importer, a cablegram is sent home to the British manufacturer telling him to cease sending out his goods, as their admission to Australia is prohibited. What will the people of Great Britain think of us?

Senator PLAYFORD.—We have not made any treaty with them yet. The honorable senator's arguments are merely assumptions.

Senator DRAKE.—If the proposed new scale of duties is not as good as a treaty, I should like to know what justification the Government have for taking credit to themselves as though it were. They have tabled a new scale of duties giving a preference to British goods, and ostensibly intended to accord preferential treatment to British manufacturers, and at the same time they are prepared to pass this legislation which is in derogation of those preferential proposals — legislation which will deprive the people or the nation with whom we are making a treaty of all the benefits that might be expected to arise from them.

Senator PLAYFORD.—We are making no treaty with the United Kingdom.

Senator DRAKE.—Would the Minister like this statement to go forth to the world: "We are not making any treaty with Great Britain. They are not going to get any preferential treaty with us—"

Senator PLAYFORD.—I did not say that.

Senator DRAKE.—"We are going to lay on the table of the House another list of duties, and commence to collect those duties from to-day, but we reserve to ourselves the power at any time to raise them?" What would be the use of that? Surely if it is an offer it is one that is meant to be permanent.

Senator TRENWITH.—For ever?

Senator DRAKE.—It may be open to reconsideration, but I should think that an ordinary Government, when it made a proposal of that kind, would look a week ahead.

Senator MULCAHY. — The new scale of duties should operate until it is repealed or amended.

Senator DRAKE.—Certainly. I should think that the Government would not knowingly agree to pass a Bill containing provisions in derogation of a treaty which they have already made, or in derogation of the preferential treatment which they have offered to accord to Great Britain. I anticipated that the Government would be

pleased to embrace the opportunity to put in an amendment of this kind. I can hardly think it possible that, with their eyes open, they will pass a Bill of this kind without inserting an amendment which would make it perfectly clear that the treaty and the proposals it contains would not be injuriously affected thereby. I am not wedded to the exact wording of the new clause I propose to move, but I think that it should read in this way—

The provisions of this part of this Act shall not apply to the importation of goods which are subject to a differential rate of duty.

Senator FRASER (Victoria) [4.4]. — I think that Senator Drake has made out a very good case. If in Committee he could not substantiate his statements, then no harm would be done, but they appear to me to be so forcible that I would ask the Government to give way. In either case, not much time would be wasted.

Senator PLAYFORD (South Australia — Minister of Defence) [4.5].—I only wish to say that, with the exception of the last point which has been taken by Senator Drake, I have heard his arguments over and over again, until I am sick and tired of hearing them, and, therefore, we do not propose to agree to his request.

Senator MULCAHY.—What do we sit here for?

Senator PLAYFORD.—I do not know that we sit here to listen to unnecessary repetition.

Senator MULCAHY.—There has been no repetition. This is quite a new feature in the discussion on the Bill.

Senator PLAYFORD.—We have had a free and fair discussion. A necessary amount of repetition can be passed over, but the measure has been thoroughly threshed out, and in speaking at great length on the question of recommittal—which, of course, he was entitled to do—Senator Drake appears to me to be wasting time to a very considerable extent.

Senator MULCAHY.—The Minister had no right to say that he was "sick and tired" of hearing the arguments.

Senator PLAYFORD.—Senator Drake has referred to the preference which the Government propose to give to British goods over foreign goods, and also to the treaty which we have entered into with New Zealand. Of course, he fought shy of the treaty with New Zealand, because he could not connect it in any way with the Bill.

Senator DRAKE.—Evidently I did not talk long enough.

Senator PLAYFORD.—The honorable senator put supposititious cases. His contentions all rested on the word "if." "If," he said, "a treaty were made a certain result would follow." I contend that no such result would necessarily follow.

Senator CLEMONS.—Have not the Government induced him to believe that a treaty will be made with Great Britain?

Senator PLAYFORD.—No. Not at the present time.

Senator CLEMONS.—Have the Government merely advertised themselves?

Senator PLAYFORD.—Exactly as Canada has advertised herself for a great many years. I think that without asking for a *quid pro quo*, we have sufficient love of the mother country to do as our sister Canada has done, and say, "Where you and foreigners, who set up hostile Tariffs against us, come into competition in our markets, we shall give you a preference over the foreigners and ask for nothing in return."

Senator CLEMONS.—Is that the measure of our affection?

Senator PLAYFORD.—We are perfectly justified in taking that course. So far as I can see, we are not asking for or proposing a treaty with Great Britain. I anticipate that Great Britain will alter her policy so far as free-trade is concerned, and that if by-and-by she should give us a first preference it would be a matter of treaty. At the present time, however, we are not asking her to give us any preference. We are giving a preference to her out of real good-will—out of what we might call our love and affection for the mother country.

Senator CLEMONS.—That is the measure of it?

Senator PLAYFORD.—Whether that is the measure of it or not it is not a bad one. It is a very good preference. It is contended that if we entered into a treaty certain things would happen. I contend that Senator Drake's anticipations will not be realized unless there should come from the mother country goods with the intention of destroying an Australian industry in an unfair way. Surely the Government with which we had a treaty would not deny to us the right to prevent an injury to our own manufactures attempted in an unfair way!

Senator FRASER.—Even under a treaty.

Senator PLAYFORD.—Even under a treaty. The treaty will not be made until the Bill is placed upon the statute-book, and then everybody will know all about its provision.

Senator DRAKE.—The treaty with New Zealand has been made.

Senator PLAYFORD.—We had many supposititious cases argued in Committee, and now we have had a number of them put to the Senate itself. Senator Millen, for instance, put a supposititious case so plausibly that I could not see the answer for the moment. It had reference to the following new paragraph, which, at the instance of Senator Best, was inserted in clause 6.

If the defendant, with respect to any goods or services which are the subject of the competition, gives, offers, or promises to any person any rebate, refund, discount, or reward upon condition that that person deals, or in consideration of that person having dealt, with the defendant to the exclusion of other persons dealing in similar goods or services.

Senator Millen said that he knew of a case where a gentleman had made an offer to a number of dairy farmers in a district that if they would agree for a period to sell all their milk to him to the exclusion of everybody else he would build them a creamery—I do not know what the condition as to price was—and help their industry. He contended that that person would come under the operation of the new paragraph. Senator Best pooh-poohed the contention. I, as a layman, could not see the answer to the proposition exactly; but I promised to refer the point to the draftsman of the Bill, and, if necessary, to the Attorney-General. I had the facts of the case laid before the Attorney-General, and I have his opinion, in his own handwriting, as follows—

In the opinion of the Attorney-General, the amendment could have no application to the class of cases mentioned by Senator Millen.

In a similar way, we could dispose of almost all the supposititious cases. It has been argued dozens and dozens of times that such and such would be the effect if the Bill were passed, when it would not have that effect at all. It has been pure imagination on the part of honorable senators. Senator Drake has allowed his imagination to run riot, and the cases upon which he has laid so much strength, and spoken with so much earnestness, will not

Senator MCGREGOR (South Australia) [4.10]. — Senator Drake has occupied a considerable space of time to-day, as he was entitled to do; but his statements regarding the amendment which he desires to submit in Committee were of a very peculiar character. He said, first, that the clause was ambiguous, and then that it was bad grammar. Would the omission of the words "Comptroller-General" make the clause less ambiguous, or mend the bad grammar? It is inconsistent on the part of the honorable senator to try to make the Senate believe that this, that, or the other is wrong—to propose to cure the wrong, and then to indicate an amendment which would not have the slightest effect in that direction.

Senator DRAKE.—The honorable senator is talking about two matters. I said that one clause was ambiguous, and I proposed to move an amendment in another clause.

The PRESIDENT.—Does any other senator desire to speak?

Senator CLEMONS (Tasmania) [4.13]. —Mr. President—

The PRESIDENT.—The honorable senator cannot speak again.

Senator CLEMONS.—Have I not the right of reply?

The PRESIDENT.—The motion for the adoption of the report was moved by the Minister of Defence, and an amendment has been moved.

Senator CLEMONS.—I wish to speak to a point of order, and I presume that, before the question is put, I may do so.

The PRESIDENT.—Very well.

Senator CLEMONS.—I rise to point out that I moved a motion—

The PRESIDENT.—No; the Minister moved the motion.

Senator CLEMONS.—Pardon me, sir.

The PRESIDENT.—I talked over this very point with the clerks, and, perhaps, the honorable senator will allow me to refer to the standing order.

Senator CLEMONS.—I will allow you, sir, if you like; but, still, I am going to submit a point of order.

The PRESIDENT.—The honorable senator will see that I have put the motion, and that it has now become a substantive question.

Senator CLEMONS.—I merely moved that the Bill be recommitted, and did not move an amendment. I submit, therefore, that I have the ordinary right of reply.

tention was correct, and I was going to put this as a motion; but it was pointed out to me by the clerks that there was a motion already before the Senate. Standing order 205 contemplates that, before the motion to adopt the report is put, an honorable senator may move for a recommitment of the Bill, and then it becomes the question. It must be understood that this debate was adjourned from last Friday until to-day. It has been moved and seconded that the report be agreed to. That has been put by me from the Chair, and has become a substantive question. It has passed out of the application of standing order 205. When there is a question before the Senate, and an honorable senator wishes to alter the question, he must move an amendment, and I shall put the proposal of the honorable senator as an amendment. If the honorable senator, before I put the question, "That the debate be adjourned," had moved "That the Bill be recommitted," it would have been an original motion, and the motion that was proposed by the Minister of Defence would not have been a question at all. That is the difference. I did not see the point myself at first, but my attention was called to it by the clerks, and I think that they are right.

Senator CLEMONS.—It is rather a difficult question, but I have asked you to recall the circumstances under which this matter came before us. I think that you, or any other honorable senator who was present, will agree that there was no motion for the adoption of the report.

Senator PLAYFORD.—Yes, I moved the adoption of the report.

Senator CLEMONS.—I say distinctly that there was no such motion. I wish to remind you of what happened. The moment Senator Playford rose to move the adoption of the report a point of order was taken whether that motion could be moved under the circumstances. That point of order was debated by several honorable senators. You yourself suggested a way out of the difficulty we had got into, and the debate was adjourned. Perhaps it was adjourned without due regularity, but I am perfectly certain that no motion was made by the Minister.

Senator PLAYFORD.—Yes; I certainly moved that the report be adopted.

The PRESIDENT.—I am bound by the records, and they show that Senator Clemons is incorrect.

Senator CLEMONS.—I hope that you will allow me to appeal to your recollection.

The PRESIDENT.—I have no recollection on the matter.

Senator CLEMONS.—May I remind you?

The PRESIDENT.—Here are the records, and they show that the Minister of Defence moved that the report be adopted. Another motion, that the debate be adjourned, was afterwards moved. I have no recollection myself, and I must be bound by the records as taken down by the clerks.

Senator TRENWITH. — Senator Clemons' statement proves the records to be accurate.

Senator CLEMONS.—I take no notice of a ridiculous interjection by a senator who is seldom present.

The PRESIDENT.—The records show that the motion of the Minister of Defence was moved, and put to the Senate, and that the debate was adjourned. The debate could not have been adjourned if the motion had not been put.

Senator CLEMONS.—I ask you not to give a ruling until you have heard my version of the facts. I submit for your consideration that the moment Senator Playford rose, at the last sitting of the Senate, to move the adoption of the report upon this Bill, a point of order was taken. No one seconded the motion. It was never put to the Senate, for the reason that the point of order raised by Senator Millen led to the ruling that the business could not be gone on with.

Senator PLAYFORD.—The point of order was afterwards withdrawn.

Senator CLEMONS. — On that point of order being raised by Senator Millen, the Senate found itself in a difficulty, and the President said that he could see only one way out of it, and that was for some one to move the adjournment of the debate.

The PRESIDENT.—But two or three honorable senators had spoken before then.

Senator CLEMONS. — If there was a motion before the Chair this afternoon, how could you have allowed me to move my motion for the recommitment of the Bill?

The PRESIDENT.—It was an amendment that the honorable senator moved. I put it as an amendment.

Senator CLEMONS.—I did not move it as an amendment. This is what happened: I moved a recommitment motion and sat down, because I relied upon my right to reply in the ordinary way. I will admit at once that if you, sir, put my proposal as an amendment, that disposes of my right of reply.

The PRESIDENT.—That is so.

Senator CLEMONS.—I think, nevertheless, that I might be allowed the opportunity to speak.

The PRESIDENT. — I have to administer the Standing Orders.

Senator CLEMONS.—I did not submit my proposal as an amendment, but as a motion. I understood that it was accepted as such. A modification was, however, made, after I sat down. The consequence is that under your ruling I have no right of reply, as I should have had if my proposal had been put as it was originally moved as a motion.

The PRESIDENT.—I must administer the Standing Orders as I find them. My own recollection as to what happened on Friday is not very clear, but my belief is that Senator Playford moved that the report be adopted. I see from the *Hansard* record that three honorable senators spoke after that. They could not have spoken unless there was a motion before the Senate. Subsequently Senator Clemons moved that the debate be adjourned. Now it comes before us as an adjourned debate.

Senator CLEMONS.—I admit all that.

The PRESIDENT.—After a motion has been put, and become a question, no proposition can be made for the recommitment of a Bill, except as an amendment.

Senator DRAKE.—Before you give your ruling, sir, may I say a word or two?

The PRESIDENT.—I have given my ruling. I cannot go back upon the records of the Senate and upon the Standing Orders.

Senator DRAKE.—I desire to speak on a point of order.

The PRESIDENT.—I have given my ruling, and I cannot see that I can alter it.

Senator DRAKE.—I am simply asking you, sir, to allow me to say a word or two.

The PRESIDENT.—Why does the honorable senator wish to speak?

The PRESIDENT.—I really do not wish to shut out any honorable senator, though I do not see that there is the slightest necessity for more to be said.

Senator DRAKE.—The facts in dispute are fully known to me. My honorable friend the Minister of Defence on Friday moved the adoption of the report, and I have no doubt that the motion was seconded. I rose immediately afterwards in order to speak, and for the purpose of moving the recommittal of the Bill. I then drew attention to the fact that we had not printed copies of the Bill before us.

Senator PLAYFORD.—Several honorable senators spoke before Senator Drake did.

The PRESIDENT.—A debate took place on the motion for the adoption of the report. That debate could not have taken place unless there had been a motion before the Senate.

Senator DRAKE.—I admit all that, but still I consider that I was in possession of the chair; and I only sat down in consequence of Senator Millen rising on a point of order. After that Senator Clemons moved the adjournment of the debate. Senator Clemons moved the recommittal in the belief that it would be a motion, and that he would have an opportunity to speak upon it. I think that the Senate should hear him.

The PRESIDENT.—The honorable senator is mistaken as to the facts. Several senators spoke before he did on Friday. Senator Clemons has no right to reply.

Senator MULCAHY.—May I ask for your direction on a point?

The PRESIDENT.—There is no point of order before the Senate.

Senator MULCAHY.—I wish to ask whether I should be in order in moving that Senator Clemons be heard? I think he should have a right to speak.

The PRESIDENT.—No. The Standing Orders are clear. Of course, if the Senate likes to suspend the standing order to give Senator Clemons the right to reply, that can be done. The question now is—

That all the words after "the" be left out, with a view to insert in lieu thereof the words "Bill be recommitted for the reconsideration of clause 17 and sub-clause 2 of clause 18; and for the consideration of a new clause."

vided. The Senate divided.

Ayes	7
Noes	14

Majority	7
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AYES.

Baker, Sir R. C.	Mulcahy, E.
Dobson, H.	Pulsford, E.
Drake, J. G.	Teller:
Fraser, S.	Clemons, J. S.

NOES.

Best, R. W.	Pearce, G. F.
Croft, J. W.	Stewart, J. C.
Dawson, A.	Styles, J.
de Largie, H.	Trenwith, W. A.
Findley, E.	Turley, H.
Givens, T.	Teller:
Keating, J. H.	Henderson, G.
McGregor, G.	

PAIR.

Symon, Sir J. H.	Playford, T.
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Question so resolved in the negative.

Amendment negatived.

Original question resolved in the affirmative.

Report adopted.

CONSTITUTION ALTERATION (SENATE ELECTIONS) BILL.

SECOND READING.

Debate resumed from 30th August (*vide* page 3752), on motion by Senator KEATING—

That the Bill be now read a second time.

Senator PEARCE (Western Australia) [4.30].—The point to be considered, in connexion with this Bill, is the convenience of electors. I do not think that the convenience of members or candidates would justify such an important action as the alteration of the Constitution. It seems to me that we ought to satisfy ourselves that the Bill is required in order to obtain better results in the electorates—that is, a larger number of voters at each election. Taking the results of the last two elections, we cannot feel satisfied that the percentage of voters will go to the polls at future elections that we should like to see.

Senator DOBSON.—We ought to have compulsory voting.

Senator PEARCE.—I do not know that compulsory voting would do much good. Even if we had compulsory voting, we

ought to take into consideration whether the elections are held at the most convenient time of the year for the great bulk of the electors. If we compel the electors to leave their work for the purpose of voting, it should be at a time when their doing so will result in the least inconvenience and loss to them, so that whether we believe in compulsory voting or not does not affect the issue. I have here a return given me by the electoral authorities, showing the percentage of voters on the rolls who voted at the first and second Federal elections. In 1901, taking the two Houses together, 54.35 per cent. of the electors on the rolls voted.

Senator KEATING.—That election was in March.

Senator PEARCE.—At the last Federal elections, which were held on 16th December, the percentage of voters on the roll who voted for the Senate was 46.86, or nearly 47 per cent.; and 50.20 per cent. for the House of Representatives. Taking the two Houses together, on that occasion the percentage was about 49 per cent., as against 54½ per cent., or thereabouts, in 1901. These figures indicate that March is certainly a more convenient time of the year for the large percentage of voters.

Senator TURLEY.—In what part of Australia is March the best time?

Senator PEARCE.—Let us take, for instance, Queensland.

Senator BEST.—The elections need not be in March, but may be in April or May.

Senator PEARCE.—All I say is that the figures seem to indicate that March is a more convenient time than December.

Senator MULCAHY.—If a larger percentage voted next December, would that alter the opinion of the honorable senator?

Senator DRAKE.—We have to consider the enthusiasm at the first elections.

Senator PEARCE.—The figures I have quoted are the only data we have. We do not desire to form our opinions on what might have been, but on what actually occurred.

Senator STEWART.—Does the honorable senator not make any allowance for cleaner rolls on the second occasion?

Senator PEARCE.—It has to be remembered that in Western Australia a number of people were off the rolls who ought to have been on them. If we compare the rolls for the two elections, it will be found that there were as many influences at work to

keep people off the rolls at the second election as at the first.

Senator DRAKE.—Has the honorable senator got the number of those who voted at the two elections?

Senator PEARCE.—Yes, but it has to be remembered that, at the second election, there was female suffrage in four of the States.

Senator TURLEY.—That would bring the percentage down a lot.

Senator PEARCE.—I shall give the figures. The number of voters enrolled for the first election was 974,594, and of that number 529,704 voted. On that occasion there was female suffrage in only two of the States. At the second election, there were 1,893,586 electors enrolled for the Senate, of whom 887,312 voted; while for the House of Representatives there were 1,470,902 voters enrolled, of whom 739,402 voted.

Senator KEATING.—For districts in which contests were held?

Senator PEARCE.—Yes, and that accounts for the discrepancy between the rolls for the Senate and the House of Representatives. There is the significant feature that, at the first election, all the seats for the House of Representatives were contested, whereas at the second election a number were not contested; and that might have some effect in lowering the average.

Senator MULCAHY.—I think it would be the other way about.

Senator PEARCE.—I do not think so.

Senator KEATING.—That would not apply to the percentage, which is based on the figures where there were contests.

Senator PEARCE.—The percentage for the Senate election is based on the whole State; and, therefore, it is better and safer for the purposes of comparison to take the figures for the House of Representatives alone for the second election, and the figures for the two Houses together for the first election.

Senator MULCAHY.—The fact that some constituencies were contested did not have the effect which the honorable senator imagines.

Senator PEARCE.—I think that clear proof of the correctness of my view may be found in the case of Western Australia. In that State, at the last Federal election, there was a contest in every division but that of Swan, and there the percentage for the Senate was as low as 27 per cent., whereas

40 per cent. I think a fair comparison is to take the figures for the House of Representatives for the last election, and compare them with the figures for the two Chambers at the first election, when we have the result that at the last election for the House of Representatives, the percentage of voters was 50 per cent. as compared with 54 per cent. at the first election. It will be seen, therefore, that when the elections were held in March, 4 per cent. more voters polled than when the elections were held in December.

Senator FINDLEY.—In Western Australia alone?

Senator PEARCE.—No; over the whole Commonwealth.

Senator CLEMONS.—That does not show that the time of year—March or December—made all the difference.

Senator PEARCE.—I think it is a fair inference.

Senator CLEMONS.—There may have been a hundred and one other contributing causes.

Senator PEARCE.—I think I have allowed for the contributing causes in leaving the Senate out of the calculation for the second election. Taking all the facts into consideration, I think I have applied a fair test in order to ascertain which is the best month for the great majority of the people of Australia, though not, perhaps, for the people of one State.

Senator DRAKE.—Will the honorable senator give the figures for Queensland? Would not December be more convenient than March in that State?

Senator PEARCE.—At the first elections, which were held in March, the percentage of voters who polled in Queensland was 48.82 per cent., whereas when the elections were held in December the percentage was 57.3 per cent.

Senator BEST.—That assists Senator Pearce's argument.

Senator CLEMONS.—I think it altogether breaks up the honorable senator's argument.

Senator PEARCE.—The figures I have given were for the House of Representatives; the percentage for the Senate was 54.83 per cent. In a matter of this kind we ought to study the convenience of the bulk of the electors of the whole Commonwealth. If we are to have the elections at a time to suit one State, it becomes a

Senator DRAKE.—Not at all; the elections could be held at different times.

Senator PEARCE.—That is so; there is nothing in the Bill to prevent the elections being held at different times.

Senator DRAKE.—Then why alter the Constitution?

Senator PEARCE.—In order to make it possible to have the elections for the two Houses at the one time. I think the figures I have quoted show that some month nearer the time suggested in the Bill would be preferable to the dates hitherto selected for the elections. Any one who knows the state of affairs in the southern States of Australia can have no possible doubt on the question. I have looked up the figures for what are largely the farming States—South Australia, Victoria, and New South Wales—and, especially in the two former, I find that, when the elections were held in December, there was a large percentage of votes cast in the metropolitan areas, and a small percentage in the rural districts. We know, of course, that the reason is supplied in the fact that December is the harvest time, when farmers are very busy, and an idle day may mean a considerable loss. That is a very good reason why the elections should be held either before or after the harvest.

Senator TURLEY.—That was not the cause of the small percentage of voters in Western Australia?

Senator PEARCE.—I do not say that it was; I am speaking of Victoria and South Australia.

Senator TURLEY.—Where there were no farming operations there was a lower percentage.

Senator PEARCE.—I have not said that the lower percentage in Western Australia was due to the elections being held in December, but that the percentage for the Senate was lowered owing to there being no contest in the Swan division. In that division the lowest percentage of votes recorded in the Commonwealth was polled, owing to the fact that there was no contest for the House of Representatives. But in those divisions in which there was a contest for the House of Representatives a very much larger percentage of votes was recorded for candidates for both the Senate and the House of Representatives. I may add that even in the division of

Swan a more inconvenient month than December could not be suggested. There is a reason also why December is not convenient for electors even in our mining districts. Since the inception of mining in Western Australia, it has been the practice, except in the case of very rich mines on the Golden Mile, for mines to obtain exemptions a fortnight before Christmas for two or three weeks. There is practically a holiday of a month established, and miners during that period go down to the coast. A date late in December would not, therefore, suit even the mining districts of Western Australia. I understand that the reason for the introduction of the Bill is that it is thought that by the alteration proposed we shall be able to hold the elections in March or April, and it is manifestly undesirable that honorable senators who have been defeated at an election should continue to act in the Senate for nearly twelve months after their defeat.

Senator CLEMONS.—That would not be necessary.

Senator PEARCE.—It would not be necessary if senators so placed chose to resign.

Senator CLEMONS.—Parliament might be called together earlier.

Senator PEARCE.—There is no doubt that we could alter the date of the meeting of the Parliament, but if we were to continue the present practice we might have a defeated senator, a man in whom the State had expressed a want of confidence, continuing to sit here and take part in Commonwealth legislation. I understand that the object of the Bill is to enable the Government to fix some more convenient date for the elections for the majority of the electors, and that to overcome the difficulty of a defeated senator continuing to take part in Commonwealth legislation they propose to put the date on for six months, and to hold the elections between March and June. My knowledge of Australian conditions convinces me that by adopting this course we should secure a larger percentage of the votes of electors, and would enable the majority of the electors to record their votes with less inconvenience than they can do under existing circumstances. Whether the date be fixed for December or June, the election of senators will, no doubt, be fixed as near to the end of the senatorial term as possible. That would be the invariable practice adopted. If we retained the provision under which the senatorial term

ends on the 31st December, there can be no doubt that the Senate elections will be held in November or December. I think that the balance of advantage is shown to be with the course proposed to be adopted, and I shall vote for the second reading of the Bill.

Senator CLEMONS (Tasmania) [4.50].—It is very singular that the first attempt made in the history of the Commonwealth to enter upon the important task of amending the Constitution should be made during the last month of an expiring Parliament. There are other circumstances connected with this Bill which are more than singular. It will not add to the dignity, good name, or reputation of the Senate if this measure is passed. Probably the most significant circumstance in connexion with it is that on the first occasion what an attempt is made to alter the Constitution a proposal is submitted to benefit sitting members of the Senate, and those who hope to be elected at the next election. I say that it is discreditable, if not disgraceful, that the first time we attempt to alter the Constitution we should do so with the object of adding six months to the term of office of sitting senators, and six months to the term of office of those who may be returned at the next election.

Senator MULCAHY.—If that were the only reason it might be so.

Senator CLEMONS.—The honorable senator will understand that I do not contend that that is the only reason for the introduction of the Bill, but we should seriously consider that that is a consequence which will follow the passing of this measure.

Senator FINDLEY.—We are not asking for this Bill. The country is asking for it.

Senator CLEMONS.—The Senate is going to pass or reject the measure. The country has not asked that sitting senators should have their term of office extended for six months, or that incoming senators at the next election should have their term extended for the same period.

Senator KEATING.—That would be an incident of the proposed alteration, unless we postponed the operation of the measure for six years.

Senator CLEMONS.—That such a consequence should be incidental to the passing of the measure, even though it should not be a reason for its introduction, should be sufficient to induce honorable senators to hesitate to support this Bill. I do not

good grounds advanced for opposing the measure was that, under the Constitution, power is reserved to each of the States to fix the date of its own Senate elections. The passing of this Bill will not in any way abrogate that provision, because it is not here proposed that the Constitution shall be so amended as to take away that right from the States. That being so, this measure will be rendered entirely inoperative should any State, or the whole of the States, decide to determine the date of the Senate elections for themselves. Another good ground for refusing to pass the Bill is that the first penal dissolution will entirely destroy its value. We cannot legislate in the Senate on the assumption that there will not be a penal dissolution of the House of Representatives. So far as we can predicate the future, such a dissolution is bound to come sooner or later, and if it should arise within the next three years the whole of the advantage sought to be gained by this Bill will be destroyed. Senator Pulsford raised an important question affecting the Constitution in connexion with the allowances to members of the Federal Parliament, which this Bill does not meet. I do not propose to repeat the honorable senator's observations; but I remind honorable senators that the point raised is important in the discussion of this measure.

Senator STEWART.—What was it?

Senator CLEMONS.—I need not repeat Senator Pulsford's observations in detail; but, if Senator Stewart will look the matter up, he will find that the provisions of this Bill are in direct conflict with the provisions of the Constitution in respect to the allowances to members of the Federal Parliament. The reason assumed for the introduction of this Bill is that it is desired that the elections shall take place during some time of the year that will not be inconvenient to farmers. If honorable senators take into consideration the area of the continent of Australia and Tasmania, they will find that there is no month in the year which for the purposes of the elections could be held to meet the convenience of all the farming electors in the Commonwealth. If we were to alter the date of the elections from December to March, whilst we might convenience farmers in one State, our action might be inconvenient to farmers in an-

March might be a convenient month in which to hold our elections in Victoria, it would be distinctly inconvenient for Queensland electors. Further, I say that the farmers, as a class, have no right to expect the Federal Parliament to seek to alter the Constitution merely in order to meet their convenience. We, as a Parliament, have no right to cajole the people into voting at elections by trying to discover for them a suitable time to go to the poll. It is the duty of every elector in the Commonwealth to record his vote, and I do not think we are asking too much of the farmers of Victoria when we invite them to go to the poll in November or in December once in three years. What idea of his duty as a citizen of the Commonwealth can any elector have if once in three years he will not sacrifice an hour to record his vote at a Senate election.

Senator KEATING.—It may mean a day to some men.

Senator CLEMONS. — Let it be so; and is the value of the franchise of so little account that a farmer is entitled to raise a personal grievance because once in three years he is asked to put himself to a little inconvenience in order to exercise it? In my opinion, it is absurd to say that we shall fix upon one month of the year rather than another in order to enable individual citizens to go to the poll. Seeing that they are asked to go to the poll only once in three years, it should not be too much to ask them to attend to their duties as citizens in this respect on any date, or in any month of the year. The Bill is introduced by Ministers with the avowed object of altering the date of our elections; but I am convinced that it is supported with the view of amending the Constitution. I do not know what reason we have to assume that honorable senators opposite are so desperately anxious to secure the convenience of the farmers that they are prepared to go the length of proposing an alteration in the Constitution in order to give effect to such an object. I do not pretend to have so particular an interest in the farming community as to desire to alter the Constitution in order to give them facilities for voting. I believe there are many members of the Senate who desire that the Constitution shall be amended, and this reason for amending it is as good as

another, and, in their opinion, is just good enough. I have little hesitation in saying that if the Bill be passed, it will be, not because it will convenience a few electors, but simply because it will afford an opportunity to alter the Constitution. If honorable senators who rely upon the ostensible reason for the introduction of this Bill as a justification for voting for it would but listen to reason on the subject, they would change their minds as to the desirability of passing it. There can be no doubt that, if we alter the date of our elections by this means from December to March, we shall inconvenience a certain number of the citizens of the Commonwealth. No member of the Senate will deny that March will be an inconvenient month to many of the electors.

Senator STEWART.—Who are they?

Senator CLEMONS.—Senator Stewart should know them as well as I.

Senator MULCAHY.—The same might be said of any month in the year.

Senator CLEMONS.—That is just the point I am making. There is bound to be some body of electors in each of the States to whom any particular month would not be as convenient as some other month. When it is certain that the passing of the Bill will involve inconvenience to many electors, it is ludicrous to propose to alter the Constitution for such a purpose. Honorable senators are aware that the machinery provided for the alteration of the Constitution is very cumbersome and complicated; and is it worth while to put it in motion in order merely to consult the convenience of a number of electors when we know that what we propose to do will inconvenience other electors? I do not believe that honorable senators who support the measure do so for that reason. If it is not for that reason, then let them come out into the open and say what their reason is. I am firmly convinced that, in their opinion, it is thought desirable that the Constitution should be amended, not only in this direction, but in many others. If the Bill were passed, the opportunity would then be immediately seized to say, "Seeing that all the machinery for altering the Constitution will have to be put in motion, we might as well submit to the people the question of amending it in half-a-dozen other directions."

Senator FINDLEY.—Suppose that were the case, each Bill would have to pass both Houses.

Senator CLEMONS.—If that is the case, I shall be no party to making the Bill the means to such an end. I am not going to pretend, in mere hypocrisy, that I wish to convenience certain electors, if what I really want to do is to get the Constitution altered in a dozen different ways.

Senator MCGREGOR.—It cannot be altered without the consent of the people.

Senator TRENWITH.—And it cannot be submitted to the electors without a Bill having been passed.

Senator CLEMONS.—Once this Bill was passed, the reason which many members of the Senate and the other House may have for objecting to a referendum of the people being taken on other matters in the Constitution would be seriously weakened. They would be told at once, "The people will have to be consulted on the question of altering the date of holding the Senate elections. Seeing that a referendum of the people must be taken on that point, and that certain expenditure must be incurred, why not submit to them at the same time other questions?"

Senator MCGREGOR.—Will not the majority of the people have to agree to the proposals?

Senator CLEMONS.—I know, as honorable senators generally know, that the object of the Ministry in introducing the Bill is not to convenience the farmers, for that is a mere idle pretext—

Senator KEATING.—This is the first time that I have ever heard that consideration urged.

Senator CLEMONS.—No doubt it is the first time that the Minister has ever heard it urged here, but I am sure that it is not the first time that he has heard it urged elsewhere.

Senator KEATING.—I can assure the honorable senator that this is the first time I have ever heard it urged anywhere.

Senator CLEMONS.—I accept my honorable friend's assurance. But he must recognise that we could not give a stronger argument to those who wish to submit an alteration of the Constitution in other directions than the fact that we have already passed a Bill which provides for the holding of a referendum for that purpose. It would be asked at once, "As you are going to consult the people, why object to ascertaining their will on other points at the same time, and so save expense?" That is the very great danger I see in passing the Bill. In consideration of what is expected to be gained by its enactment, if

ask the people, as well as the Parliament, to incur the risk of altering the Constitution in a dozen directions, under the pretext of getting something for the farmers, and not for every class of electors?

Senator FINDLEY.—The honorable senator's opposition is not so much to the Bill as to what might happen if it were passed.

Senator CLEMONS.—I have stated my reasons for opposing the Bill. Even if it contained a provision that no referendum should be taken on any other subject for a period of ten years, the Bill would stand self-condemned in its essence. It is a Bill to give six months' additional tenure to honorable senators. It is not worth a flip of the fingers, because it is over-ridden by certain provisions of the Constitution. It is a measure which a penal dissolution of the other House would convert into waste-paper. There are a dozen good reasons why on its mere merits it should be thrown out. Nevertheless, I am perfectly certain that, for various reasons, Senator Findley and others will vote for its second reading.

Senator FINDLEY.—I shall be on safe ground when I vote in a direction opposite to the honorable senator.

Senator CLEMONS.—The honorable senator will be on perfectly safe ground in so doing if he wishes to attain his object. If, as I believe, he wants the Constitution altered, not for this reason, but for other reasons, he will vote for the second reading of the Bill, in order to achieve those other objects, which from his point of view are vastly more important than the conveniencing of a few farmers in Victoria. I do not imagine that, whatever any one else may do, he will make the idle pretence that he wishes to see the Bill passed in order to help Victorian farmers. I shall oppose the Bill at every possible stage, because on its merits its passing would be discreditable to the Senate. I wonder that honorable senators cannot realize that if it were passed, when the history of the Commonwealth came to be written the historian would have to record that the first time its great Constitution was ordered to be amended was on the occasion when it was thought desirable, amongst other things, to add six months' tenure to the term of those senators who were then legislating, and to give a tenure of three years and six months to their successors.

Senator CLEMONS.—It may not, but is that a reason for altering the Constitution? Was the American Constitution ever altered under a pretext of that kind? Let us remember the great fight which took place before it was altered. Could any American nowadays read the history of his country with pride or pleasure if he had to recognise the fact that the first time its Constitution was altered was to increase the tenure of the senators under an idle pretext? Granted that honorable senators have a right to pass the Bill, what would be the result? The result would be simply to alter the date for the election of senators.

Senator HIGGS. — Could we not put against that argument the fact that during the first Parliament the members of the other House freely cut off four or five months of their tenure?

Senator CLEMONS.—My only concern is to uphold the credit of the Senate. If the members of the other House did what my honorable friend has said, let us follow their example, but we shall not be doing that by voting six months' more tenure to ourselves.

Senator MCGREGOR.—Could we not take off six months' tenure? That would effect the same object.

Senator CLEMONS.—I would not, as the honorable senator knows, make the question of tenure an excuse for altering the Constitution. It is asserted that it is very desirable to alter the date for holding the Senate elections, and that, therefore, the Constitution must be amended. That is not necessary. Under the Constitution as it stands, the elections for the Senate can be held in any month from August to December. Does not a choice of any one of the five months meet all requirements? Would not any one of those months answer just as well as the month of March?

Senator MCGREGOR.—I think that the month of October would be better.

Senator CLEMONS.—In that case, is the honorable senator going to support the Bill in order to produce the one avowed result of altering the date of elections to March?

Senator MULCAHY.—There is no necessity to alter the Constitution if the month of October would be better.

Senator CLEMONS.—Not the slightest necessity.

Senator MCGREGOR.—I was only expressing my own opinion.

Senator CLEMONS.—When Senator McGregor and others admit that October is a better month than March, are they going to vote for the second reading of this Bill?

Senator DOBSON.—It would be necessary to alter the time for holding the sittings of Parliament.

Senator CLEMONS.—If we are going to consult the convenience of a class, or of members of Parliament, what reason is there for not meeting earlier in the year? I know of no reason why Parliament should not assemble in February instead of in May. If it met in February and sat until the end of August—which would represent the duration of a session—it would leave six months available to the Executive for choosing a date for holding the elections.

Senator MULCAHY.—The fact that the financial year ends in June mixes up things a little.

Senator CLEMONS.—Yes; but so would this Bill, if passed. Senator Millen pointed out the other day that one of the chief objections to its enactment as it stands is, that it is in conflict with the termination of the financial year, but that could be got over in any case. I submit that the scope which is offered to us at present for holding the elections is ample to meet the requirements of every class of citizens in every State. I go further, and say that in my opinion the Senate has no right to consider any particular class of the community when it is fixing upon the date for holding the elections. It is absurd that we should attempt to practically bribe—because it is a species of bribe—electors to go to the poll.

Senator MULCAHY.—That is not the case.

Senator CLEMONS.—It is almost going that far. It is practically saying to the farmers. "We recognise that, under existing arrangements, you have good and sufficient reasons for not voting." I do not hold that view. Seeing that the elections occur only once in three years, a man, whether he be a farmer or not, has no excuse for not recording his vote. For this reason. I do not think that the Senate is justified in sanctioning a referendum to the people in order to fix a better date for a particular class to vote.

Senator DOBSON.—Do not call it a bribe, and so spoil a good speech.

Senator CLEMONS.—I have not called it a bribe in the ordinary sense, but it is an approach to that. What are we doing? We are dispensing special privileges to a particular class.

Senator DOBSON.—I do not think it is a privilege. We are endeavouring to meet the general convenience.

Senator DRAKE.—Giving special facilities to one class.

Senator TRENWITH.—If it injures the facilities of no other class, what objection can there be?

Senator CLEMONS.—We have already agreed that if we alter the date to suit the convenience of the farmers, we are certain to inconvenience some other class.

Senator DRAKE.—We have not heard from them.

Senator CLEMONS. — As Senator Drake says, we have not heard from them. But I am sure Senator Trenwith will recognise with me that it would be easy for many other classes to allege just as good and satisfactory a reason as the farmers have alleged.

Senator TRENWITH. — I suppose that if a day were chosen every other day in the year would be more convenient to somebody else.

Senator CLEMONS.—There is not the slightest doubt that it would. Surely it is a serious thing to alter the Constitution for the ostensible purpose of suiting the farmers. For the reasons I have indicated, I shall oppose the Bill in every possible way.

Senator MULCAHY (Tasmania) [5.15]. — I do not like the Bill for many of the reasons which have been mentioned by Senator Clemons. An alteration of the Constitution is a most serious matter, and ought not to be attempted unless the occasion absolutely demands it. But, apart from that consideration, I do not think that the remedy proposed is as good as it might be for the purpose of overcoming the inconveniences attached to the present system. It appears to me that the Constitution in some respects needs to be made a little more elastic than it is. Undoubtedly the time when elections take place at present is exceedingly inconvenient to large numbers of people who are compelled at that period to devote attention to their own affairs. It is not merely that the duties which necessarily have to be

performed by the farming population prevent their going to record their votes. The electors desire to do something more than that. They wish to have an opportunity to hear the views of the various candidates, and to educate themselves in the affairs of their country. They cannot have that opportunity when the elections take place at harvest time. That seems to me to be a sufficient reason for the introduction of a measure to permit an alteration of the date to suit the convenience of the people. But under this Bill we are asked to proceed from one arbitrary date to another. It seems to me that it would be very much better to give an elastic power to the Governor-General to enable him to prolong the term of the Parliament for a limited number of months, if an election could not conveniently take place at the ordinary date.

Senator TRENWITH.—Does the honorable senator mean that he would give a general discretion?

Senator MULCAHY.—There is a discretion now.

Senator TRENWITH.—But it is specific.

Senator MULCAHY.—I do not see that there would be great harm in giving the Governor-General such a power. Another defect in the measure is that it assumes that the parliamentary term for the Senate will always expire at a time when an election for the House of Representatives is imminent. We have no right to make such an assumption. It is possible, under our Constitution, to have a penal dissolution of both Houses. I do not say that it is probable that such a thing will take place; I hope not. But in any case, it is inevitable that sooner or later the time for the parliamentary elections for the two Houses will not be concurrent. Is it justifiable for us to alter the Constitution in this way merely for the sake of the Senate? I shall not oppose the Bill at this stage, but in Committee I should like to see an amendment such as I have suggested made in it.

Senator CLEMONS.—If we adopt the Bill in any form it will involve an amendment of the Constitution.

Senator MULCAHY. — One argument used by Senator Clemons appealed to me, namely, that it is not justifiable to alter the Constitution for this purpose alone. He seemed to think that the desire was to use the power to alter the Constitution in some other direction. I should oppose the Bill altogether if I did not see that it is inevitable, sooner or later, that we must amend the

Constitution in a far more important direction than this. Even now there is an alteration necessary in connexion with the taking over of the States debts. I do not like the idea of a proposed amendment of the Constitution coming before us in such a shape that it will go forth to the world that we have been actuated by selfish motives in seeking to add six months to our term. But even that proposal has to be submitted to the people. While I shall not vote against the second reading of the Bill I reserve to myself the right to oppose its third reading if it is not amended in Committee.

Senator BEST (Victoria) [5.20].—This debate has revealed an extraordinary phase that never for a moment struck me previously; namely, that there is supposed to be a base design on the part of the Government in the introduction of the Bill. We are led to believe that we must not take the Bill on its own merits, but that it is brought in simply for the purpose of making it easier for a certain section to effect future amendments of the Constitution. Personally, I do not think for a moment that that is the intention of the Government. I am prepared to judge the Bill on its merits, recognising, as I do, that every innovation, so far as the Constitution is concerned—every departure from it or amendment of it—must be submitted by separate Bill, and be dealt with on its merits. I am aware, and we must all be aware, that much as we prize our Constitution, and reluctant as we are to alter it unnecessarily—or to alter it at all, indeed—the fact remains that it must be altered to meet the convenience of the people, and for the purpose of bringing it more into line with the requirements. There is one direction in which an alteration of the Constitution may be necessary, perhaps, at an early date, namely, to enable proper facilities to be given for taking over the States debts. My honorable friend, Senator Clemons, who raised the objection to which I have referred, and regarded it as a serious reason why the Bill should be rejected, will realize that an alteration may become necessary to effect what was originally the design of the Constitution in that respect. I give that as one example only, and I reject the suggestion, so far as I personally am concerned, that the Bill will give any additional facility for the introduction of matters which do not meet with my approval. The most extraordinary

suggestion I have heard was one made concerning the dignity of the Senate. It was regarded as most discreditable that we should be engaged in giving to ourselves an additional six months' term. I look upon that merely as incidental to the carrying out of the objects of the Bill. What I specially draw attention to, however, is this: that while it is regarded as necessary to carry out the aim of the Bill to do that, the measure does not come into operation when we alone pass it. It has to be passed by an absolute majority of another place, which certainly has no selfish or discreditable motives for agreeing to it. In addition to that, the Bill has to be submitted to the electors themselves, and it will be for them to say whether they deem it wise that this extension of term should be made. I point out, also, that those honorable senators who are returned at the next election will be elected by the people knowing that they are to be chosen for a term of six years and six months. I therefore think that my honorable friend, Senator Clemons, rather overdraws the picture when he represents that the additional six months is to be given for the purposes suggested. My honorable friend went on to say that the Bill might be rendered nugatory by one of two reasons. First of all, he said the States themselves might refuse to agree to any particular date that we as a Commonwealth might fix for the elections. But it is idle to suggest that the States are deliberately going to put the electors of Australia—who, whether they be electors for the Commonwealth or the States, are the same people, and have to bear all the burden of the expenditure—to additional expense, and that their anxiety for economy will not be insisted upon in the matter of choosing senators and representatives. I am inclined to think that there will be co-operation on the part of the Commonwealth and the States for the purpose of securing economy, and that they will make every effort to achieve that object. My honorable friend made another objection to the Bill—that taken by Senator Millen last week. Senator Millen said that the most serious objection to the measure was that it would involve the expenditure of money without the sanction of Parliament. He pointed out that an election might take place in April or June, and that probably Parliament would not be able to meet till July. That could take place only once in

three years. But suppose that we did not meet till July. The financial year, ending, of course, on the 30th June, the Government would in July actually be incurring expenditure without the vote of Parliament. Certainly the Government could not go on doing so beyond the 1st August. Parliament would have to meet some time in July, in order to vote supplies. If, however, Parliament did not meet until towards the end of July, the Government would commit the Commonwealth to expenditure for the ordinary services of the year during that month. It is certainly a very wise and prudent principle that we should endeavour to secure that Parliament shall authorize the expenditure of money before it is incurred. But when we remember that the expenditure can only be for the ordinary services for less than a month, I do not think that any very serious consequence can be suffered by the Commonwealth in this connexion. Of course, there is one objection incidental to the present condition of affairs. That is that a penal dissolution of the House of Representatives might result in different dates being fixed for the elections for the two Houses. That might, of course, occur under existing conditions; but my honorable friend, Senator Clemons, went on to say that the full value of this Bill might be altogether lost if that occurred. It might; but as a matter of fact there will be a big effort on the part of the Government to fix upon as convenient a date as possible for the purpose of securing concurrent elections. That is best exemplified by the action taken by the House of Representatives in agreeing even to forfeit part of its own term for the purpose of securing economy in having the elections for the two Houses on the same date. I support the Bill on its merits. Its design and object are good. I believe it has been proposed with the object of meeting the convenience of the greater number of the people of the Commonwealth. I do not suggest that the month of March is the most convenient month for every State. I believe that my honorable friends from Queensland urge objections to it.

Senator GIVENS.—It is the worst month in the year from our point of view.

Senator BEST.—But the same objection would not attach to the month of April or May, and, according to the terms of the Bill, the elections could be held in either of those months.

Senator PEARCE.—Most probably in May.

Senator BEST.—That is so.

Senator MULCAHY.—The elections could now be held in May.

Senator BEST.—According to the Constitution, the elections could undoubtedly now be held in May. But there is the same objectionable feature that attaches to the American Constitution, namely, that if the elections were held in the earlier portion of the year, a defeated candidate might actually sit in the Senate, and take part in its deliberations, for the balance of his term.

Senator MULCAHY.—Surely that would be no calamity.

Senator GIVENS.—It might vitiate every Act passed by the Senate.

Senator BEST.—At any rate, such a position is against the principles of representative government.

Senator KEATING.—It introduces representation without responsibility.

Senator BEST.—That is so. We know, as a matter of fact, that the Government seek to show some intelligence in the administration of the Electoral Act; and the desire would be to fix the election for the Senate as near to the end of the term as possible, so that there might be a joint election towards the close of the year.

Senator GIVENS.—The end of the financial year?

Senator BEST.—At the end of the time mentioned in the Bill. Every honorable senator is justified in referring to his own State: and I can say for Victoria that March, April, or May is universally admitted to be infinitely more convenient than either November or December. Consequently, if April or May were found equally convenient to all the States—

Senator GIVENS.—Either would be excellent for Queensland.

Senator BEST.—Exactly. Why should we be restrained from fixing a convenient time merely because of some sentimental objection to altering the Constitution? It is the duty of Parliament to afford every possible facility to the people to vote, and that is my sole reason for supporting the Bill. It is a reason which justifies Parliament in making this alteration in the Constitution, in order that the fullest representation shall be secured at the elections.

Debate (on motion by Senator TRENWITH) adjourned.

APPROPRIATION (WORKS AND BUILDINGS) BILL.

In Committee (Consideration resumed from 31st August, *vide* page 3758).

Clause 1 agreed to.

Clauses 2 and 3 postponed.

Schedule.

HOME AFFAIRS DEPARTMENT: CUSTOMS HOUSE AT BROOME: TRAWLER AND EQUIPMENTS: RIFLE AND ARTILLERY RANGES: NAVAL FORCES: GRANTS TO RIFLE CLUBS: MILITARY STORES, BRISBANE: DRILL HALLS: MAGAZINE AT LAUNCESTON: ARMAMENT OF HOBART.

Divisions 1 to 4 (*Home Affairs Department*), £130,502.

Senator DE LARGIE (Western Australia) [5.38].—Can the Minister give us any information in regard to the item of £1,500 for the erection of a Customs House and bond at Broome, Western Australia?

Senator PLAYFORD (South Australia —Minister of Defence) [5.39].—The note I have as to this item is as follows:—

The business at Broome at present is being carried on in premises leased from Messrs. Newman, Goldstein, and Co., at a rental of £200 per annum. The present premises are under offer to the Commonwealth for a sum of £1,200. The Collector of Customs, Western Australia, recommends the erection of suitable premises on the vacant land at the south end of the Government goods sheds, as he believes it is possible to erect a more suitable building for the same amount of money, viz., £1,200. He also points out that some of the blocks on which the present building is erected have sunk into the ground considerably, causing the floor to drop a lot in the centre. There is also a danger, when heavy rain falls, of the ground softening, and with a heavy stock in bond the weight will cause the blocks to sink lower, thus making the building unsafe, and liable to be infested with white ants if the floors drop too near the ground. It is considered that Broome will be the centre of the pearling operations for many years, as it has been ascertained that the grounds extend for 200 miles on either side of that port, also the shopkeepers and others who possess a great interest in the pearling fleet will not readily consent to transfer, seeing they have established their headquarters at Broome.

Senator PEARCE (Western Australia) [5.42].—I see there is an item of £8,000 for a trawler and equipments. I should like to know whether this vessel is intended particularly for use on the Western Australian coast. I ask the question because the item is under the heading of Western Australia, and that makes it appear as though the cost would be debited to that State.

Senator PLAYFORD.—The item is under a different sub-division from that of Western Australia.

Senator PEARCE.—I observe that in debate in another place this trawler and equipments were debited to Western Australia, and I should like to know whether the Government have yet decided on what part of the Australian coast the vessel will be used?

Senator PLAYFORD (South Australia—Minister of Defence) [5.43].—The Government have not yet decided on what particular part of the coast this trawler shall be used; but, in any case, the expenditure will be debited, on a population basis, to the whole of the Commonwealth. The trawler is really intended for the purposes of exploration, in order to ascertain whether, and if so where, there are good fishing grounds to be found.

Senator GIVENS.—Is the trawler to be an aid to private enterprise?

Senator PLAYFORD.—It is to be an aid to private enterprise. The Government do not expect to have a trawling fleet of their own; but hope to do what has been done with some success in South Africa. At the Cape, the Government purchased a trawler, and as a result of the exploration made, good fishing grounds were found, and now, after the lapse of a few years, there are four or five trawlers at work with profit.

Senator GIVENS.—Who has the profit—the State or private individuals?

Senator PLAYFORD.—The State is made up of private individuals, and when private individuals make a profit, the State makes a profit?

Senator FINDLEY.—That is too thin!

Senator GIVENS.—That sort of argument will not do.

Senator PLAYFORD.—As I say, the trawler has been purchased for exploration purposes; but, of course, if the Government think they can undertake the general work of trawling to better advantage than can private individuals, that may be done. However, apart altogether from whether the trawling will eventually be conducted by the State or by private enterprise, it is a wise step to explore the coast in order to ascertain whether or not there are good fishing grounds.

Senator PULSFORD (New South Wales) [5.44].—It is evident that the Government are exploring in all parts of the world, both above ground and under the

sea. I should like to know whether the Government have gone so far with their exploring ideas as to have actually purchased this trawler?

Senator DORSON.—It has been stated in the press that the Government are going to lease the trawler.

Senator PULSFORD.—Has the trawler really been bought?

Senator PLAYFORD.—No; it is not yet purchased.

Senator DOBSON.—Are the Government going to buy or rent the trawler?

Senator PLAYFORD.—The Government are going to buy the trawler.

Senator PULSFORD.—Can the Minister give the Committee any information as to the persons with whom the Government are in treaty for the purchase of the trawler?

Senator PLAYFORD.—We are not in treaty with anybody, so far as I am aware. We are waiting until we get the approval of Parliament for the expenditure of the money.

Senator FINDLEY.—What is the basis of the estimate of £8,000?

Senator PLAYFORD.—It is based on the price which Cape Colony paid for the trawler.

Senator PULSFORD. — Without any severe comment, I suppose we may describe this as a "fishy" sort of vote. I do not know that there is any great objection to it.

Senator GIVENS (Queensland) [5.47].—The Government have frequently contended that the Commonwealth has no power under the Constitution to engage in any industrial enterprise, and it is, therefore, a little peculiar that they should now be proposing to undertake such an enterprise of their own volition.

Senator PLAYFORD.—It is only like giving a bonus, or helping the sugar industry, for instance.

Senator GIVENS.—This vote is a distinct departure. The Government propose to purchase a trawler, and to engage in trawling. If they do not intend to follow the industry, for what do they require the trawler? If by the operations of this trawler any fish are caught, do the Government propose to sell them, or will they throw them overboard again, because the Commonwealth has no power to engage in any industrial enterprise? Some members of the present Ministry, and some members of the party behind them, are opposed to the State

undertaking any industrial enterprise whatever, and yet they have not the slightest compunction in spending the money of the State on a partially socialistic enterprise, not for the benefit of the whole of the people who provide the money, but for the benefit of a few people.

Senator PLAYFORD.—If the Government have this trawler they will be able to find out whether there are fish in certain waters.

Senator GIVENS. — The Government propose to expend Commonwealth money in connexion with this industry, not in order to preserve it for the people of the Commonwealth, but to explore the fishing grounds, and then withdraw and leave them for the benefit of a few private individuals. There is neither reason nor logic in such a proposal. If it is permissible to spend public money in aid of private enterprise for the benefit of a few of the people, it is far more justifiable to spend public money for the benefit of the whole of the people. In fact, any other system is unjustifiable. This sort of mongrel Socialism is enough to make the so-called logic of anti-Socialists stink in the nostrils of intelligent men. I desire a great deal more information on the subject before I shall be prepared to support this vote. I wish to know what representations have been made to the Government, what reports they have had, and what was the motive force inducing them to take this action.

Senator KEATING.—The example of Canada, Cape Colony, and other countries.

Senator GIVENS. — The Committee is entitled to the fullest information on the subject. Before I shall be willing to allow the vote to go, I shall have to be taken into the confidence of the Government, and shown what is behind the vote, and the reason why it appears before us. When we are asked to vote entirely new expenditure of this sort we should be given some reason for the proposal. I am not willing to vote this money to establish an industry in which the whole of the people of the Commonwealth will not be at liberty to share. I shall vote against this particular item unless Ministers can give some good reason for its appearance in the schedule to this Bill.

Senator DOBSON (Tasmania) [5.51].—We have not received all the information which should be given before we are asked to vote this sum of £8,000. I understand from the Minister that the proposed trawler is to be engaged in exploration to discover new fishing grounds, and what fish we have along our coast-line. I should

like to know if Ministers have some hope that the canning or preserving of fish will be undertaken as the result of the operations of the trawler?

Senator PLAYFORD.—Undoubtedly.

Senator DOBSON. — I should like to know whether it has been decided where the vessel is to work, and whether the Government have had any reports as to the places along our coast-line most likely to give the best results from an exploration of this character? Fishing is a very simple industry indeed. We are told that the only machinery required to carry it on is a line "with a bait at one end and a fool at the other." I should think that the fishermen of Australia must have information as to where fish should be sought for along our coast-line, and I suppose that Ministers have had reports on this subject. I was glad to hear that trawlers have been worked successfully on the coasts of South Africa and of Canada, and Ministers might be able to obtain information as to the working of the trawlers in those waters which would be applicable to Australian conditions. I think that the vote should be postponed until the Minister is armed with reports from persons able to express an opinion on the subject as to what is likely to be the result of the operations of the trawler in Australian waters. We have a coast-line of some 8,000 miles, and it would take a trawler a very long time to explore Australian waters. I understood that the trawler was to be leased, but we have been informed that it is to be purchased. I believe that £8,000 is the estimate of the cost of a trawler, and its up-keep for a year. If the vessel is to belong to the Government, I suppose its operations will be continued year after year.

Senator PLAYFORD.—As long as Parliament votes the necessary money.

Senator DOBSON.—Can the Minister say what proportion of the £8,000 represents the cost of the trawler, and what the cost of up-keep?

Senator PLAYFORD.—I think I gave that information in my speech on the second reading of the Bill. I believe the cost of up-keep is estimated at £1,500 a year.

Senator DOBSON.—I am inclined to think that we are going bonus mad during the present session. I do not think that it is statesmanlike to give a bonus in aid of so simple an industry as that of fishing, which must require a very small amount of

capital and labour. It is an industry which private enterprise should be well able to carry on without assistance.

Senator PLAYFORD.—Yet people all over the world assist it. A bonus was given by Great Britain to the fishing industry.

Senator TURLEY.—England gives a bonus to the fishing industry—since when?

Senator PLAYFORD.—I know that England used to do so.

Senator DOBSON.—I think that we should have some more precise information as to what the trawler is to do.

Senator PLAYFORD.—There used to be a bonus given in England on the export of fish.

Senator PULSFORD.—A few centuries ago!

Senator DOBSON.—I think it must have been in the dark ages. I do not think that such a bonus is given now. I shall oppose this vote unless some further information is given to the Committee concerning it.

Senator FINDLEY (Victoria) [5.56].—In common with Senator Givens, I do not favour the proposed vote of £8,000 for the purchase of a trawler to aid private enterprise. The Government profess to have been influenced by the example of other countries in this connexion, but they might follow the example in a more concrete way by entering definitely into the business, and making it a Commonwealth concern in the interests of the whole of the citizens of Australia. I believe in the collective ownership of industries, and if the Commonwealth is to purchase a trawler at a cost of £8,000, it should be utilized, not in the interests of private individuals, but in the interests of the whole of the citizens of the Commonwealth. According to the Minister, the up-keep of the trawler will cost £1,500 a year, but if Parliament refuses to vote the money, what will become of the trawler? Do the Government propose to sell it?

Senator DOBSON.—We should be told all that.

Senator FINDLEY.—Senator Givens very properly asked what is going to become of the fish caught by the trawler.

Senator PLAYFORD.—We are going to sell them.

Senator GIVENS.—Then the Commonwealth will have entered upon an industrial enterprise, and we have frequently been told that that cannot be done under the Constitution.

Senator FINDLEY.—The Minister explained that certain waters would be explored to discover whether they contained fish, and if it was found that they did, private enterprise could then be called upon to work those waters.

Senator PLAYFORD.—I did not say that the fish caught by the Government trawler would not be sold by the Government.

Senator GIVENS.—If it is sold by the Government the Commonwealth will be engaging in an industrial enterprise.

Senator PLAYFORD.—We shall have a perfect right to do that under the Constitution.

Senator DE LARGIE.—That is what I have always contended.

Senator FINDLEY.—After we have discovered good fishing grounds in certain waters, is it proposed that the Government trawler shall push on to some new place, and try to discover other grounds?

Senator PLAYFORD.—I do not know.

Senator FINDLEY.—I wish to know before I am asked to record my vote. If we discover good fishing grounds by the operation of the trawler, the fish in those waters will belong to the people of the Commonwealth, but, apparently, the moment we make the discovery, the intention is to announce the fact to the world, so that private enterprise may then come along and work the ground, and the Government trawler will move off to other waters. Until we are given full information on the subject, I am not prepared to support the vote.

Senator TURLEY (Queensland) [5.59].—We have always been informed that, under the provisions of the Constitution, the Commonwealth cannot undertake any industrial enterprise. This vote is submitted with the idea of exploration, and we are to assume that the men engaged in the fishing industry in Australia for years do not know where or how to catch fish, the best appliances to use, and the nets required to give them the biggest return for the labour they put into the industry. We are told that this proposal will operate in much the same way as a bonus. We are informed that the trawler will explore a portion of the coast, and thus induce people to put money into the industry, and will, in that way, confer a great benefit on the Commonwealth. A bonus is a different thing. The Bounties Bill which we shall be asked to consider by-and-by provides for the grant of

a bounty to those persons who may be able to get a sufficient quantity of fish. I am inclined to vote against the item, because, in my opinion, the question has not been thoroughly considered. I do not believe that it is in consequence of a report from any part of Australia that the item appears on these Estimates. The experience of certain States is quite opposed to any such attempt being made. Years ago, for instance, New South Wales spent a good many thousand pounds in this direction, but the experiment was an absolute failure. I do not suppose that it yielded a return of 1s. to the State.

Senator STANFORTH SMITH.—When was that?

Senator TURLEY.—Some years ago thousands of pounds were voted by the New South Wales Parliament to enable Mr. Frank Farnell, who was regarded as an expert, to prepare the way for developing a large industry in the waters of that State. I do not remember whether the vote amounted to £8,000 or £10,000, but it was passed to enable Mr. Farnell to conduct an experiment, not in seine or drift net fishing, but in trawling, and it was a miserable failure. Queensland has had a similar experience. A few years ago a number of enthusiasts, who believed that it was possible to create a large fishing industry in Moreton Bay and the adjacent waters, formed a company, and collected a sum of money; nets were made, and the Government were asked for assistance.

Senator DE LARGIE.—Was the experiment to be made by ordinary net fishing or by trawling?

Senator TURLEY.—It was to be carried out by trawling. To the promoters the Government said, "If you want to try the experiment we will lend you a Government steamer." Accordingly, the promoters had the loan of a Government steamer, and had the services of the men who possessed the best knowledge of that portion of the Queensland coast. The trawl beam got stuck on a rock, and pulled the vessel up. It had to be taken back, and the trawl turned over before it could be released. They made several attempts. On one or two occasions they had their net torn to pieces, and the return to the company and the Government was absolutely nothing. According to a speech made by a member of the other House, Tasmania has had a similar experience of trawling.

Senator KEATING.—Of steam trawling?

Senator TURLEY.—Whether the trawling is done by steamer or by sailing vessel, what is the difference? As a matter of fact it is only within the last few years that steamers have been used for that purpose. In my time the hundreds of boats which used to trawl off the English coast were sailing vessels.

Senator DE LARGIE.—It is about a quarter of a century since steam trawling was started on the west coast of Scotland.

Senator TURLEY.—That may be; but prior to that time the only use which was made of steam vessels was to collect the fish which the smacks had caught, and take them into market. Is it not reasonable to believe that the fishermen on the Australian coast have tested the grounds, and know the best methods of fishing to adopt? Is it not reasonable to think that they know the habits of the varieties of fish which they are most likely to get? It is stated that a large quantity of fish go up the east coast of Australia every year. If we had fifty trawlers on the ground we should not catch one of these fish, because the largest proportion of them are mullet, which, of course, could not be caught with a net of that description. At the present time mullet are caught with the seine, and that is the only net I know of by which a man is able to catch such fish in a large quantity. So far as I can gather, that is the largest sort of migratory fish on the coast of Australia. The Government has supplied no information to the Committee, except that the Government of Cape Colony had bought a trawler, and carried out some experimental work. Senator Playford did not even state whether the Government had received any reports from persons who have been engaged in the fishing industry, and who are able to indicate that what we want is some assistance to develop the industry. He told us that in Canada the fishing industry yielded so many pounds of fish per head. I do not suppose he could tell us that one-half per cent. of the catch was obtained by trawling. The success achieved is nearly all due to the great cod fish industry, which has been carried on there for, I dare say, 150 years. Not one solitary fish of that description is caught by means of a trawler. If the honorable senator has ever been in that part of the world, he knows very well that the cod fishing is carried on from boats by line, and not by net, off the coast of Newfoundland, Labrador, and other

places. If he went to the Mediterranean, which he quoted, would he find any trawling done? I do not believe that he would find a trawler in that ocean. When he was speaking of the fishing industry there he was really referring to the little fish which are caught in very small mesh nets. I know of no places where trawling has been so successful as it has been round the coast of England and Scotland in the different channels. Those are the only places where, so far, it has been a success. The Government, I repeat, have come down without any information, except that Cape Colony has made an experiment in this direction. If they think it necessary to make this proposal, and the persons who are engaged in the fishing industry are able to supply them with any information on the subject, it ought to be given to the Senate, especially in view of the ghastly failure of the experiments carried out at large expense in Queensland and New South Wales. Ministers must know very well that such experiments have taken place, and have not induced outside persons to put money into the business. The fishing industry is not carried on by trawlers in Victoria, nor, so far as I know, anywhere else in the Commonwealth.

Senator PEARCE.—There are trawlers on the New Zealand coast.

Senator TURLEY.—When I was in New Zealand some years ago there was no trawling carried on.

Senator PLAYFORD.—There is now, in consequence of the Government having expended public money in finding out whether it could be done successfully or not.

Senator TURLEY.—Does the Minister say that in New Zealand the Government undertook trawling?

Senator PLAYFORD.—Yes; the Government hired a steamer for the purpose, and sent it round the coast.

Senator TURLEY.—I have never heard before that that was done.

Senator KEATING.—The New Zealand Government started the experiment in 1900.

Senator TURLEY.—In all probability the Government of New Zealand were able to furnish some information to the Parliament when they submitted their proposal to send out a trawler.

Senator PLAYFORD.—We have not information, and we want a trawler in order to get it.

Senator TURLEY.—Probably the Government have not yet taken the trouble to ask the fishermen of Australia for information. I intend to call for a division on the item.

Senator DE LARGIE (Western Australia) [6.12].—There was nothing very startling in the statement of Senator Turley that we have no steam trawlers on the Australian coast, because a man requires to possess considerable capital before he is in a position to operate in that way.

Senator TURLEY.—Not a very large amount of capital.

Senator DE LARGIE.—A man needs, as this item shows, a capital of at least £8,000 to purchase one trawler. I know that on the west coast of Scotland where the herring fishing is a very great industry only large companies were able to fish with steam trawlers.

Senator TURLEY.—Did the honorable senator ever know herrings to be caught by trawling?

Senator DE LARGIE.—I am not quite sure whether it was the herring or not that was being caught on the west coast of Scotland, but I was under the impression that it was. At any rate, the steam trawlers which were operating on that coast were the property of large companies, and the small fishermen were not able to fish by that means.

Senator TURLEY.—In the English channel there are scores of trawlers which are practically owned by the men who work them.

Senator DE LARGIE.—It is not every fisherman who can find £8,000 to get the necessary apparatus for deep-sea fishing. That is a very good reason for concluding that there are no steam trawlers operating on our coast.

Senator FINDLEY.—According to the Minister the up-keep of the trawler would amount to £1,500 a year.

Senator DE LARGIE.—I quite agree with Senator Givens that information on various points should be furnished to the Committee. But at the same time, to find fault with the Government for going into this new industry because private individuals have not yet gone into and made a success of it, is a very foolish way to look at the matter. So far as I am aware, the efforts made by the New South Wales Government have not been systematic or more than temporary.

Senator TURLEY.—The New South Wales Parliament voted thousands of pounds for this purpose.

Senator DE LARGIE.—How much money did it vote?

Senator TURLEY. — I think about £12,000.

Senator DE LARGIE.—I have been through the reports prepared by the Fisheries Board, of which Mr. Frank Farnell was president, and find that very little money has been spent, and very few efforts made in the direction of deep-sea fishing. We know all about the fishing in our rivers and lakes and close to our coasts, but nothing has been done to develop our deep-sea fisheries. I should be very sorry, however, to see the Government go into this matter, and drop it if they find the industry to be successful. Why should the taxpayers of this country be asked to spend £8,000 to experiment in order that private individuals may reap the benefit? Surely the Government has sufficient expensive Departments, without giving up the profitable results which may accrue from the money which we put into these experiments. It is time that the Government began to look out for new sources of revenue. It should not be continually spending money to find sources of income for capitalists. We have heard outcries against Socialism, and are often asked why it is that the Government cannot manage things as well as private individuals. The Government will never be able to understand what it can do so long as it merely paves the way for some one else to reap all the profit from the efforts it makes. It would be foolish for the Commonwealth Government to enter into this enterprise and to drop it as soon as it is likely to become a profitable investment. So far as I can understand, there is a good prospect of the deep-sea industry becoming profitable. I have travelled round a considerable portion of our 8,000 miles of coast line. During the last recess I had an opportunity to go to the north-west coast, the waters of which perhaps present the most favorable fishing opportunities to be found in Australia. I witnessed there a scene which probably could not be matched in any part of the world. I saw at Port Headland shoals of fish playing around the vessel. It was marvellous to think that such a splendid field for exploitation should be left without any one having gone into it in a serious way.

Senator TURLEY.—Did the honorable senator ever know school fish to be caught in a trawl?

Senator DE LARGIE.—I am satisfied that a great industry could be opened up on the western coasts of Australia if it were undertaken on a large scale. Something more will need to be done than the mere catching of fish. We shall have to provide some means for preserving them. The fish will be of very little commercial value unless we go in for fish canning and preserving on a large scale, in order that we may put the commodity on the market at a considerable distance from the fishing ground. These are aspects of the case which the Government would be wise to consider. It was shown to me by men on the north-west coast who are equally as reliable experts as Senator Turley in these matters, that the waters there are so favorable, and so full of feed, that there must be splendid deep-sea fishing. Apparently, the Government of Western Australia is of the same opinion, because a Commission is at present inquiring into the subject. The Federal Government will be able, in time, to make use of the results of its inquiries. There has been some amount of experiment by the Western Australian Government in this direction; but the subject has never been gone into systematically. Grounds have been located, but the proper means of catching the fish have not yet been devised. Consequently, we know very little as to whether the industry is worth developing. Personally, I believe that it has a great future before it, and would have the very best prospects possible if it were in the hands of the Government. A valuable illustration of the need for nationalizing the industry is afforded by the fact that individualism has practically ruined the pearl shell fisheries.

Senator GIVENS.—It has depleted the beds in many instances.

Senator DE LARGIE. — That is so; and, in addition, the shell has been sold for a great deal less than its true value.

Senator FINDLEY.—Where there is combination in the fish trade, there are also rings to keep up prices, so that private enterprise is bad for the industry and for the consumer.

Senator DE LARGIE.—I have given some attention to pearl fishing, and know that it is due to keen competition amongst

the fishers that the industry is in the bad way that we understand it to be in now. If the same state of affairs is to be brought about by private companies going into the deep-sea fishing industry, very little satisfaction will result from this proposed expenditure. A very great blunder indeed will be committed if the Commonwealth merely goes into the industry to prospect, and proceeds no further. We are entitled to know that, once Parliament assents to the expenditure of £8,000 to open up what is practically a new industry, if any profits accrue they will go into the purse from which this money is to be taken. Unless that is done, the results will be really mischievous. Private enterprise in respect of deep-sea fishing has been a miserable failure in Australia. Are we to understand that, after we have proved that there is profitable work to be done, the private enterpriser is to be allowed to pocket the profits? It is no part of the functions of the Government of this country to find means for the private enterpriser to promote his interests at the expense of the ordinary taxpayer. I am satisfied that nine-tenths of the people of Australia would object to anything of the kind, and I hope that the Government will make up its mind that, if the steam trawler is a success, it will make the most of it for the benefit of the country as a whole. On this understanding, I intend to support the proposal.

Sitting suspended from 6.30 to 7.45 p.m.

Senator HENDERSON (Western Australia) [7.45].—When this item was mentioned by the Minister of Defence in introducing this Bill, I felt that the Government were taking a step in the right direction. I have no fault whatever to find with the information presented to us by the Minister in support of the proposal to establish, if possible, a trawling business on the coast. That information may be regarded as being as complete as it was possible to make it. In the first place, the Minister told us of similar enterprises in South Africa, Canada, and England; and I think he told us that almost all Governments in the civilized world had, at one time or other, taken some such step.

Senator TURLEY.—When did the English Government do such a thing?

Senator HENDERSON.—A long time before I was a boy. I am now simply repeating the information which was given

to the Minister to the Committee; and more

could not be looked for, because, as Senator de Largie has pointed out, it is utterly impossible to get anything like reliable statements from the fishermen on the Australian coast. The disabilities under which those engaged in the fishing industry suffer are such as to render their information almost useless in connexion with a proposal of the kind before us. Under the circumstances, I think the Government have taken a very wise course. The Minister of Defence gave us to understand that the cost of fish in Australia at the present time is something like 66 per cent. higher than in any part of the United Kingdom.

Senator BEST.—In Australia?

Senator HENDERSON.—In Australia.

Senator BEST.—That is not so, if one may judge from the prices charged in restaurants.

Senator HENDERSON.—I am judging only from the information presented to us by the Minister of Defence, who told us that in Australia we pay three times the price that is paid in the United Kingdom for fish. In any case, we know there are many occasions on which we have a very limited supply of fish, in spite of the fact that we have an immense coast line.

Senator DE LARGIE.—The price of fish in the old country has come down very considerably since steam trawling came into vogue.

Senator HENDERSON.—There is no doubt about that; in my own experience, herrings have been sold twelve for 1d.

Senator FINDLEY.—What size?

Senator HENDERSON.—About a quarter of a pound in weight. Where I disagree with the Government is in their having decided to hand the industry over to private enterprise after they have purchased the trawler and prospected the coast line. Immediately the fact is established that trawling is possible and profitable, the Government propose to leave future developments to private enterprise. If the Government feel disposed to be socialistic, why should they not honestly admit the fact?

Senator PULSFORD.—Hear, hear.

Senator HENDERSON.—Quite so. It would be just as well for the Government to honestly admit that they believe Socialism is a growing and a right principle, and that the people generally ought to share whatever benefits may result from the establishment of this industry. Why should

the Government declare that they are socialistic until the possibilities and probabilities of the industry have been ascertained, and then say that they are anti-socialistic? I do not agree with that attitude on the part of the Government, and would much prefer, if we do undertake this trawling business, to go ahead with it. I shall support the item, because I believe that once the industry is proved to be payable the same power that initiated it will be able to continue it—that once the business becomes prosperous it will take a great deal to persuade the people to permit the Government to hand it over to private enterprise. I know that in days gone by many industries have been coddled into success by the Government, and then given over to private enterprise, which exploits both men and material. I hope that in the trawling business we shall have no such result, but that the industry will be conducted for the benefit of the general taxpayer. As I say, I support the item in the belief that once the industry becomes a success the people of Australia will have too much good sense to allow the Government to relinquish it to private enterprise.

Senator STANFORTH SMITH (Western Australia) [7-55]. — Senator Henderson prefaced his remarks by pointing out that the people of Australia have no reliable information with regard to the possibilities of trawling. The people of Australia have had some experience in trawling operations, but no information as to that experience has been placed before the Committee. Senator Turley told us that the Queensland Government made efforts to ascertain whether there were proper trawling grounds off the coast of that State, and that the experiment was a failure.

Senator TURLEY.—An absolute failure.

Senator STANFORTH SMITH.—And I think the honorable senator also told us that a similar result followed trawling operations off the coast of New South Wales. We know that in Victoria efforts have been made to ascertain whether there are suitable trawling ground and the right kind of fish for trawling operations. So far as I know, all these experiments have been an absolute failure. Speaking subject to correction. I think the Victorian Government sent out the *Lady Loch* on a trawling expedition.

Senator MULCAHY. — Experiments have been conducted under private enterprise.

Senator STANFORTH SMITH. — I am now speaking of the experiments conducted by the Government of Victoria. Great hopes were held out that profitable fishing grounds would be discovered, and that the result would be the establishment of curing factories, and the foundation of a prosperous industry. However, failure met those efforts, but whether that was due to the nature of the fishing grounds we cannot, of course, say. We know that unless the bottom of the sea is perfectly smooth, it is impossible to trawl, and it may happen that the right kind of fish are not present. The *Rip*, a former pilot vessel of Port Philip, was also used in experiments of the kind by the Victorian Government; but no trawling ground was discovered.

Senator STEWART.—How long were the experiments continued?

Senator STANFORTH SMITH. — I have no information. When it is proposed to spend £8,000 in this direction the Government should place before us all the facts relating to previous efforts. We are really being asked to vote this £8,000 blindfold, and, apparently, without the Government themselves being aware that previous efforts of the kind have been a failure. I understand that the *Rip* was sent to Western Australia in 1904, but that the experiment there also was a failure.

Senator DE LARGIE. — What evidence is there that that experiment was a failure?

Senator STANFORTH SMITH.— I am so informed; I do not know of my own personal knowledge. I believe that every State in Australia has engaged in trawling operations, with the exception of South Australia. When we are asked to vote a large sum of money for such a purpose we are at least entitled to know what efforts in a similar direction have previously been made, what the results of those efforts have been, and if unsuccessful, the reasons for their want of success. We have had no such information given us in the present instance. We are not told where the trawler is to be worked, or whether it is intended that it should work right round the coast of Australia.

Senator KEATING.—The honorable senator does not suppose that the Government propose to keep the trawler in Bass Straits all the time.

Senator STANFORTH SMITH.—I do not care to say so, but I am somewhat suspicious of Bass Straits and Kangaroo

Island. It is the experience of Western Australia that that State has not in a single instance derived benefit from any subsidy voted by this Parliament. I should like to know where the Government propose to trawl. It will be of no use to carry out such an experiment in one place, and we know that it would take years to properly explore the waters of Australia's 8,000 miles of coast line. The Government should certainly tell the Committee on what portion of our littoral they intend to commence trawling operations.

Senator PLAYFORD.—Judging by the local spirit the honorable senator has suggested he would object if we said that we intended to commence at Sydney, and work round to the west.

Senator STANIFORTH SMITH.—I have so far never objected to any subsidy proposed, and yet no subsidy we have voted has been of any advantage to Western Australia.

Senator BEST.—I think there is something of the kind on the business-paper.

Senator PEARCE.—And the honorable senator will wipe it off if he gets the chance.

Senator STANIFORTH SMITH.—I referred to subsidies already passed. The Eastern States are deriving the benefit of the £400,000 a year spent on the Australian Squadron, and when we asked that the vessels should go round to Albany to become acquainted with the advantages of that strategic base the request was treated with derision. The squadron remains at Sydney during the greater part of the year, but during the Melbourne Cup week the vessels come to Melbourne, and in the fashionable season they go to Hobart. I believe that great wealth is to be derived from our waters, but I am not satisfied that we should endeavour to exploit it by trawling. If the Government could give any reason for believing that this proposal will be a success we could vote the money asked for with some assurance that it would not be absolutely wasted. If this vessel is purchased, and it is shortly afterwards decided not to continue the hobby, what is to become of the trawler? Have the Government some idea of maintaining the trawler as a yacht for the use of members of the Federal Parliament in imitation of the practice adopted in New South Wales and Victoria? Why should we purchase a vessel of this kind

at such a cost when we might charter such a vessel for a year or two at very small expense? It seems to me that other methods might be adopted for exploiting the wealth of our seas. When at Thursday Island, I found that a small silver fish about three inches in length is to be found in myriads swarming around the piles of the pier there, and Mr. Saville-Kent, the expert, has stated that these fish are the true sardine. If that be so, there should be no reason why a very valuable industry in the canning of sardines should not be established at Thursday Island. The Government might put money on the Estimates to encourage the establishment of such industries. It might be better to encourage industries connected with fishing in that way than to tie the Commonwealth down to the purchase of a vessel for trawling at a cost of £8,000, when it is known that trawling operations conducted by the States have so far proved to be unsuccessful. I find that the sum of £9,000 is proposed to be devoted under the Bounties Bill to the encouragement of the fish canning industry. Possibly this is a supplementary proposal. I point out that the provision proposed to be made under the Bounties Bill might be sufficient to induce private enterprise to start trawling to secure a fish supply that would enable the parties concerned to get the £9,000 proposed to be given for the canning of fish. If that be so, it is possible that we might secure the same result with the one expenditure. An important consideration is the kind of fish that can profitably be canned. It seems to me that, with the exception of salmon, herrings, sardines, lobsters—

Senator TURLEY.—Mullet.

Senator STANIFORTH SMITH. — I do not think that mullet are largely sold.

Senator TURLEY.—It is a splendid fish canned.

Senator STANIFORTH SMITH. — I do not think there are many fish in Australian waters that will become marketable products if canned. The popular taste is such that certainly many of our fish would be quite unsaleable if canned. In the Canadian rivers salmon swarm in such enormous numbers that they are caught by the ton, and it is very unlikely that we shall be able to establish an industry in the canning of fish in Australia that will be in a position to compete with the canning of salmon in Canada.

The same remark applies to herrings, and we know that there are very great industries established in other countries in the canning of lobsters and sardines. On the north-west coast of Western Australia, at a place called Beagle Bay, an immense number of green turtle—the true aldermanic turtle of commerce — are found, and it is possible that a valuable industry might be started there in preserving those turtle. On the northern coasts of Australia the green turtle exists in great numbers, and at times small sandy islands on the coast are covered with them.

Senator MULCAHY.—They would not be caught with a trawler.

Senator STANFORTH SMITH. — No; I am showing that the Government might expend money for the exploitation of the wealth to be derived from the sea without entering upon trawling operations, which, so far as the experiments of the States are concerned, have been proved to be unsuccessful. There is another important fish, which is a warm-blooded mammal, discovered on the coast of Queensland. I refer to the dugong. Dugong oil is said to be one of the most valuable oils for medicinal and nourishing purposes that is produced from fish.

Senator DRAKE.—Would the dugong fishing benefit under the Bounties Bill, seeing that the dugong is described as a mammal?

Senator STANFORTH SMITH. — I could not say. I know that it is a warm-blooded fish.

Senator PLAYFORD.—They cure it and make bacon of it.

Senator GIVENS.—And even Jews can eat dugong bacon.

Senator STANFORTH SMITH. — There should be great possibilities in that direction. The Government should have made full inquiries into these matters, and if they had done so they might have been in a position to propose the expenditure of money to encourage the establishment of such fishing industries as I have referred to. I do not desire to oppose a vote especially submitted to develop an Australian industry. The attitude I have adopted has been wherever possible to assist investigation, but I think that it is possible that, if the Government had obtained information as to the results of trawling experiments by the various States, they would not have submitted this vote. If we study the charts of the Australian coast we shall find that on many portions of the coast of

Australia the bottom of the sea is so uneven, and the formation is such, as to render it entirely unsuitable for trawling. Trawling cannot be carried on over a rocky bottom, because in such a place the nets would be torn to pieces. We know also that trawling can be carried on only over a perfectly smooth bottom, and we have no information as to the portions of the Australian coast at which trawling could be successfully carried on. While I do not say that I shall vote against the item, I think that the Committee is entitled to ask the Government for some information on these heads. We should be informed of the experience of trawling by every State except, I believe, South Australia. We should also be told whether the Government propose to trawl in various waters round Australia, what kind of vessel they intend to purchase, and how long the investigation is to last. If the Government can give reasons which would justify us in voting in favour of trawling operations being carried on, I shall be quite prepared to vote for the item.

Senator PULSFORD (New South Wales) [8.16].—I am quite surprised at the continued reticence of the Government as to the genesis of this proposal. Surely the idea originated in some way or other! I suppose that, after partaking of a fish supper, the Minister did not dream that there were great supplies of fish along our coasts, and at their next meeting suggested to the Cabinet that they should get a trawler? It is time that Senator Playford put an end to this discussion. I suggest that he should explain who suggested this experiment, and what the probabilities regarding it are.

Senator STEWART (Queensland) [8.17].—The Committee seems to be in a most inquisitive mood this evening with regard to the innocent-looking proposal of the Government to spend the paltry sum of £8,000 on trawling. One honorable senator wishes to know where the idea originated. Where would such a brilliant idea originate except in the brain of a member of the Cabinet? At any rate, the Cabinet has submitted the proposal, and it is for Parliament to express its opinion. Senator Smith is also in a very inquisitive frame of mind. He has put quite a number of questions, but I suppose that he could answer all of them much more to his satisfaction than the Government is likely to be able to do. Then other honorable senators are

opposed to the item because the Government is not going the whole socialistic hog, is not going into the industry of trawling on its own, and giving a very wide berth to private enterprise. If the Government owned the lands of the Commonwealth and brought forward a proposal to spend £100,000 in prospecting for minerals, what member of the Senate would oppose it?

Senator FINDLEY.—Every man who believes in collectivism would if the industry was to be handed over to private enterprise afterwards.

Senator STEWART.—I do not believe that any collectivist, who knew exactly what he was doing, would do anything of the kind. We know that this is not a socialistic Parliament. A comparatively small, but I hope growing, section of Parliament is socialistic, but one cannot establish collectivism straight away. What is our best alternative? To give private enterprise every encouragement we possibly can to develop the resources of this huge Continent. That should be our policy while we remain in a minority. Are we going to adopt a dog-in-the-manger attitude, and say that, because we cannot have collectivism we shall have nothing else? Surely honorable senators do not seriously put forward such a proposition. Again, if we owned the lands of the Commonwealth, would we not be justified in sending out prospecting parties to see where good land existed, to classify the land, to cut tracks, to prepare plans, and to make all arrangements for settlement?

Senator FINDLEY.—And after we had developed and classified the lands, does the honorable senator think that we should be justified in selling the results?

Senator STEWART.—If the Commonwealth had developed and cultivated lands of its own I suppose that, like any business firm, it would retain the proceeds.

Senator FINDLEY.—Hear, hear! That is what we want to do with the fish.

Senator STEWART.—The Government has only control over the waters beyond territorial limits, and it has determined to explore the possibilities of those waters as a probable source of industry, and employment, and wealth for the purposes of the Commonwealth. I think that instead of being criticised adversely the idea is worthy of approbation. Some honorable senators have pointed out that attempts have already been made to establish the

industry of trawling, and that every attempt has failed. Is that any argument? We know perfectly well that the food of the first persons who came to New South Wales had to be imported. Although they were surrounded by millions of acres of rich land, yet they could not grow a potato or a bushel of wheat. They could not keep themselves alive, except with imported foods. But because those men failed, therefore, according to the arguments of honorable senators no further attempt ought to have been made. If a thousand trawling experiments had failed I submit that another experiment ought to be made. It is perfectly well known that the coast of Australia is teeming with fish, and that no Australian industry is in such a backward condition as that of fishing. No attempt has ever been made to organize it. It is carried on in a most haphazard fashion. Instead of the people of Australia having fish for breakfast every morning, they get it only now and again as a rare delicacy, and even then at the good will of a fishing ring, composed of Greeks or other foreign people about whom I do not know very much. In these circumstances the Government come forward with a proposal to rescue the fishing industry, and honorable senators are so critical that one would think that it was the most extravagant proposal ever submitted by a Government.

Senator PULSFORD.—They want to go into the fishing business thoroughly.

Senator STEWART.—If the honorable senator has not a very close connexion with the fishing business he has one of the habits which are usually associated with fishermen—that of exaggerating. In any case, I think that the item ought to be passed. I believe that if the Government is allowed to carry out the experiment some good will result to the fishing industry, and probably employment will be provided for large numbers of men who are now idle, and what is more, the people of Australia may get more fish to eat than they get now. Some honorable senators have threatened to vote against the item if the Government does not give them information. It is not very often that I am satisfied with anything the Government does, but I am quite prepared to take this proposal on trust.

Senator STANFORTH SMITH.—Without getting any information?

Senator STEWART.—I am not particular about getting any information concerning this proposal. I am quite prepared to trust the Government.

Senator KEATING (Tasmania—Honorary Minister) [8.26].—Since Senator Givens asked for some information other honorable senators have spoken to the item. Quite recently Senator Pulsford expressed a considerable amount of surprise that Ministers had not furnished some information in reply to many requests. Unless we were prepared to take the place of other honorable senators who had caught the Chairman's eye first, it was absolutely impossible for us to comply with the requests. I listened with considerable interest to the remarks of Senator Stewart, and I think I may say that honorable senators will be well minded if they will follow the example he has set.

Senator GIVENS.—Accept the Government proposal on trust?

Senator KEATING.—Honorable senators are well aware that in first asking the Parliament to exercise other legislative powers the Government necessarily had to ask for a vote before it could proceed to organize a Department. The same kind of argument was offered when we proposed to establish a statistical Department, and it will be offered in connexion with every other power that the Commonwealth proceeds to exercise other than those which it acquired by immediate transfer under the operation of the Constitution. Senator Pulsford has asked wonderingly why it should have occurred to the Cabinet to make provision in the Estimates for a trawling experiment, and he has suggested inferentially that it was prompted by some ulterior motive. Previous speakers suggested that the Cabinet had been moved in this direction by some outside impelling influence which they did not desire members of Parliament to know anything about. To disarm any such suspicions I would mention at the outset that one of the first things which the Cabinet did, when it got into recess, was to appoint a sub-committee to inquire and report upon the question of the practicability of assisting many of the natural industries of Australia. One of the results of the investigation appears in the Bounties Bill, in connexion with which I understand there was circulated amongst members of the other House the report of the sub-committee. No less than three or four pages of that report are devoted to the

question of trawling, and the possibilities of furthering the fishing industry of the Commonwealth. Under paragraph xx. of section 51 of the Constitution Act the Parliament has power to legislate with respect to—

Fisheries in Australian waters beyond territorial limits.

Senator MULCAHY.—To make laws; but does that enable the Commonwealth Government to do trawling?

Senator BEST.—Yes, certainly.

Senator KEATING. — We were perfectly well aware, when we came to consider the possibility of encouraging the fishing industry, that the States had taken steps in the same direction heretofore; but we recognised also that the States could only act in a limited way in that regard. Some honorable senators who have spoken on this matter have referred to the 8,000 miles of coast-line that Australia possesses; and it is only a reasonable assumption that, outside the territorial limits of our 8,000 miles of littoral, there must be ample opportunity for successful trawling. So far as other countries of the world are concerned, the Cabinet made inquiries, and found that the principal countries of Europe, the United States, Canada, South Africa, and New Zealand have all been doing trawling work. So that, practically, Australia is the only country amongst the civilized countries of the world in the first rank that is doing nothing. Is not that a reasonable and impelling cause for asking Parliament to make some provision to enable us to do something of the same character here?

Senator PULSFORD.—Why did not the Minister say this an hour ago?

Senator KEATING. — Did I not tell the honorable senator just now that, unless a member of the Government had interposed in the debate at an earlier stage, we could not have given this information? My honorable friend is always ready, willing, and anxious to believe that anything done by this Government is done with the object of promoting some unworthy end. If my honorable friend had given attention to this report—

Senator STANFORTH SMITH.—It has not been circulated amongst honorable senators. Why is that?

Senator KEATING.—It has been circulated in connexion with the Bounties Bill, and when that Bill is dealt with in the Senate it will be circulated here. The

Committee of the Cabinet quotes extracts from some interesting reports in connexion with the fisheries of the different States. I do not wish to weary honorable senators by reading it at length, but I think I shall be justified in making some extracts from it. In an extract from *Australia To-day*, consisting of a report by Mr. W. Saville Kent, F.L.S., &c., on the Barrier Reef, it is stated—

In other words it embraces—

he is speaking of the coast of Queensland—

two-thirds of the entire marine and fresh water fish fauna of the Australian continent. Out of the foregoing total number, over 300 species may be classified as of more or less value for human food. They present almost unlimited possibilities of profitable employment. The waters abound with shoals of fish akin to the European mackerel, herring, anchovy, and pilchard, which up to the present date have been literally allowed to run to waste. And yet with these indigenous supplies swarming at their doors, Queensland and all the neighbouring Australian colonies import vast stores of canned, smoked, and salted fish, from the lordly salmon to the lowly sprat, from Europe and America.

A further extract from the same report says—

Unprecedented natural facilities also exist at numberless stations within the precincts of the Barrier for the institution of large turtle breeding ponds and lagoons, which might outrival in importance the celebrated establishments in the Island of Ascension.

In another portion of the report it is stated—

Mr. Kent considers that the cultivation experiments made in the Mediterranean and at Florida might be repeated with even greater success here. This, however, is one of the industries which Queensland is leaving for the future.

In a pamphlet entitled *The Fisheries of New South Wales*, published in 1896, considerable attention is bestowed upon herrings, anchovies, and other varieties of fish in New South Wales waters. The extract which I quote, dealing particularly with herrings, says—

The amazing abundance of these fish makes it indeed regrettable that, from the mere lack of the necessary appliances for canning, salting, and otherwise treating them, tons upon tons were permitted to leave our shores.

After making reference to the shoals of fish that are to be seen at different portions of the New South Wales coast, the pamphlet goes on to refer to another important aspect of the matter.

Senator Keating.

Senator GIVENS. — Shoal fish are not caught by trawling.

Senator KEATING. — My honorable friend may not be acquainted with the work carried on by trawling steamers, which not only do trawling, but also make provision for employing other nets than those used at the bottom of the sea.

Senator STANFORTH SMITH. — Not for trawling.

Senator KEATING. — Other kinds of fishing are carried on in conjunction with trawling from these steamers.

Senator TURLEY. — Where are they worked?

Senator KEATING. — In the North Sea.

Senator TURLEY. — Not one.

Senator KEATING. — My honorable friend will be able to inform the Committee upon that point, no doubt. The Statist of Tasmania, in a report upon this subject dealing particularly with the Tasmanian fisheries, states—

The barracouta, king fish, and rock cod appear periodically in such vast numbers that frequently the supply is greatly in excess of the local demand. Owing to the absence of proper fish-curing establishments, large quantities have at times been known to be wasted, or merely utilized as manure. It is known also that large shoals of sprats and anchovies appear upon our coasts at regular seasons, but for the reasons already mentioned, and because the fishermen lack the proper appliances in the shape of nets, no attempt hitherto has been made to open up an industry in this particular direction.

Then he says, speaking on the matter to which Senator Turley has made reference—

Trawl nets have been tried on the coast, but without good results. Either the class of bottom fish are absent in our waters, or the proper grounds have yet to be discovered suited for this mode of capture.

The Government is of opinion that whatever efforts have been put forward on the part of the States have been necessarily very limited—not of a character calculated to conduce to success. We think, on the other hand, that the Commonwealth can successfully enter upon some enterprise of this character. The report from which I am still quoting goes on to show the action taken by the Governments of different countries to develop the fishing industries. It says—

As illustrating the importance of deep sea fisheries to other nations, it may be pointed out that the British Government has spent large sums of money in furthering the fishing industry. The French and other Governments have done likewise, and the Government of the United States are stated to have expended a quarter of a million of money in conserving, developing, and extending the magnificent

fisheries belonging to that country. In Canada a Cabinet Minister holds the portfolio of Marine and Fisheries, and in 1892 the money voted for fishery purposes by the Dominion Government was £108,000, while the Department has seven well equipped steamers and two sailing vessels at its disposal for the purpose of carrying on its operations.

Further on in the report it is stated—

In addition to this individual work on an extensive scale, the nations adjoining the North Sea—

And here comes in the comparison to which I have already made reference in regard to the extent of our coast-line—

have lately combined in an international scheme of investigation; experimental provision has been made for three years, and Great Britain has arranged to provide as her share £42,000 during that period.

Particulars are given of some of the vessels engaged in this international work.

Senator TURLEY.—What are they engaged in doing?

Senator PLAYFORD.—In connexion with fisheries.

Senator TURLEY. — Protecting the fisheries.

Senator KEATING.—They are engaged in investigating the possibility of successfully engaging in the fishing industry, and ascertaining the habits and locations of different kind of fish at different seasons. Some particulars are given of some of the vessels engaged in the international work, together with the cost, exclusive of working expenses—

Great Britain.—Two hired fishing vessels, approximate value, including equipment, £16,000.

Germany.—S.S. *Poseidon*, cost and equipment, £16,500.

Russia.—Special steamer, £16,000; outfit, say, £1,500; total, £17,500.

Norway.—S.S. *Michael Sars*, cost and equipment, £9,500.

Sweden.—A revenue cutter.

Netherlands, Finland, Denmark.—Additional, but details not to hand.

Amongst other investigation vessels must be mentioned the United States fishery cruiser *Albatross*, probably the finest and best equipped vessel of its kind in the world.

The report goes on to show the work which is being done by South Africa, the United States, Germany, Russia, Denmark, Finland, the Netherlands, Norway, Sweden, and Canada.

Senator TURLEY.—The work done by the *Albatross* is similar to that done by the *Challenger* on its famous expedition.

Senator KEATING.—In greater detail particulars are given in respect to Canadian

fisheries. Here is a paragraph from the chapter dealing with the Canadian, New Zealand, and Japanese efforts in this direction—

The seas that wash New Zealand and some parts of the Australian coasts teem with fish. This source of work has not yet been sufficiently exploited. In Japan the fisheries are a very great national concern; some 380,000 fishing boats, and over 3,500,000 persons are wholly or partially employed in fishing.

Honorable senators are aware that both the Canadian and the British fisheries involve the employment of a considerable number of men. Anything that can be done in Australia to promote the fishing industry, and which may be successful in that direction will also lead to the employment of a large sea-faring population — a circumstance which, I think, will be welcome to the people of Australia generally. Since consideration was given to what has been done in other countries to which I have already made reference, the work done by New Zealand which is close to our shores, and by South Africa has been brought under the notice of the Government, and I may inform honorable senators of what has been done in South Africa in this regard. It is quite recently that South Africa has done anything in connexion with the matter. As recently as 1897 that country obtained a boat called the *Pieter Faure*, and it is stated in the document from which I quote—

The *Pieter Faure* is a modern type steaming vessel. (Mr. Dannevig, Fishery Expert of New South Wales, is of opinion that an up-to-date boat could be purchased for about seven or eight thousand pounds). A skilled crew was placed on board. The report by the Government Biologist states:—"It was soon demonstrated that there was an abundance of fish, notwithstanding what was said to the contrary, and that there was an excellent trawling ground rivaling with the North Sea in productiveness."

I have been asked whether, when the Cape Government asked Parliament for a vote to enable it to embark on this industry to a greater extent, it was prepared to furnish information to members. I do not think that the Cape Government was in any better position than the Commonwealth Government is at the present time. They hoped, as we do, that there were supplies of fish on their coasts. This particular boat has demonstrated that fact beyond doubt. Similar results were obtained from investigations on various parts of the coast—

Apparently about 1899 the Government took in hand the question of proving that the fish could be commercially dealt with, and the results from

the work of the *Pieter Faure* showed at times a profit of over three hundred pounds per month.

Senator FINDLEY.—To whom did the profits go?

Senator KEATING.—To the Government. Profitable results have been secured by the Government which have induced private enterprise to enter into the business. In 1902, five years afterwards, 4 vessels were engaged in the work, and in the following year, 1903, the report of the Government Biologist states that—

In 1902 four trawlers were engaged on the work, and a large number of fish were landed.

In 1903 the report of the Government Biologist states that "Four large steam trawlers, each considerably larger than the *Pieter Faure*, and over £30,000 in value in all, have arrived during this period from Europe, in order to follow up the work initiated by the Cape Government. Further: "Two other vessels fitted up with special refrigerating arrangements for South African trade, have arrived during the course of the year. . . . Another large boat, 250 tons gross register, designed as a carrier and trawler, was valued at £7,500. Other trawlers are at work in addition to those mentioned, and continue to do profitable business.

As a result of the investigation into what had been done in South Africa, communication was opened up with the Premier of Cape Colony, who, in April last, sent a letter to the Prime Minister of the Commonwealth, in which he said—

The latest information from the trawling companies now established indicates that they are doing well, and are sending large quantities of fish to the inland towns.

Senator GIVENS.—It is a good thing for the companies.

Senator KEATING.—It is a good thing for the public to have an industry of this kind firmly established. Inquiries were made into the operations in New Zealand, and it was found that as recently as 1900 the Government of that Colony had entered into an enterprise of this character. One of the officials connected with the trawling expedition reported as follows:—

With regard to the value of the work done for the Colony by this expedition, I maintain that the favorable conditions for successful trawling that we have proved to exist in Tasman, Golden, Pegasus, Riverton, and Tewaewae Bays is worth to the Colony ten times more than the whole amount expended on the cruise, while the knowledge gained of the nature of the ocean's bottom and fish life existing round other parts of the coast that were explored, is of considerable value and interest in dealing with our fisheries. The Government can assist the fisheries of the Colony in no better way than by carrying the experimental trawling round other

parts of the Colony. I would therefore respectfully recommend that experimental trawling be continued round the coast of the North Island, and that a suitable vessel should be chartered sufficiently early to allow her to be fitted out, and the work commenced, by the beginning of January. And also that a scientific expert be appointed to accompany the expedition, so that a biological survey of the areas prospected may be carried out.

The report that was furnished to the Minister of Marine contained this reference:—

I consider the Government were very wise to carry out the recent trials, for they have proved beyond doubt that many valuable fishing grounds exist around these shores, and if private enterprise were now to take the matter up, I have no doubt that deep-sea fishing in this Colony would soon become a great and valuable industry. Comparing the quality and class of fish that abound in these waters with those in the old country, and taking into consideration the great difference in their present value, I believe that a large and profitable export trade could be established in frozen fish.

As in the case of South Africa, communications were opened up with the Premier of New Zealand, who, writing to the Prime Minister of the Commonwealth, on the 18th April, 1906, stated—

There has been a considerable increase in the number of fishing boats within the last five years—

Honorable senators will remember that it was in 1900 the New Zealand Government embarked on this enterprise—

and larger vessels, propelled by oil engines, are now coming into use with satisfactory results. Trawling by means of steam vessels is on the increase, and there are now ten such vessels at Napier, one at Gisborne, one at Lyttleton, two at Dunedin, and one at the Bluff. The new vessels brought to Napier during the last few years are larger and better adapted for trawling than those formerly in use.

I could go on reading information which I am certain would be of great interest, but I think that what I have quoted will clearly bring home to honorable senators the fact that experiments of this kind are being conducted practically in every country in the world. We have no reason to believe that we cannot carry out experiments of a similar character with equal success in Australia; on the contrary, we must all be inclined to think that with our enormous coast line of 8,000 miles, we ought to meet with a still greater measure of success. When we remember the varied climates which different portions of Australia enjoy, we can readily understand that not only in quantity, but in variety, the fish outside the territorial limits should rival,

if not excel, that found in other parts of the world.

Senator STANFORTH SMITH.—Have the Government made inquiries as to why the experiments by the States Governments were unsuccessful?

Senator KEATING.—Those experiments, compared with experiments elsewhere, were spasmodic and inefficient. The Government do not think that anything done by the States was sufficient—we do not think that the experiments were of such magnitude as to warrant us in believing that because they were a failure, properly conducted experiments should also be a failure. The sum of £8,000 is based on the consideration of the cost of similar vessels employed in other parts of the world; and the Government believe that with that amount they can conduct investigations similar to those to which I have referred at Cape Colony and in New Zealand. If honorable senators, like honorable members of another place, will grant this sum by an overwhelming majority, the Cabinet feel hopeful that the application of the money will have results at least as beneficial as the results of similar operations elsewhere.

Senator PULSFORD (New South Wales) [8.55].—For about a couple of hours the Minister treated with silent contempt the requests made by one honorable member after another for information. At last the Honorary Minister has risen in his place, and, after making a considerable show of indignation at my action especially, has given information which is most interesting, and which, if given before the adjournment for dinner, might have put an end to the discussion. The information which has now been supplied affords ample justification for anything I may have said.

Senator GIVENS (Queensland) [8.56].—When previously I addressed the Committee on this question I said I did not feel inclined to vote for the item without that full information to which the Committee are entitled. Notwithstanding Senator Stewart, I hold that the Committee have a right to scrutinize every vote, more especially every new or unusual vote. Senator Stewart was rather severe in his criticism of honorable senators who desired information. There is no doubt that he was perfectly within his rights in being even severe; but honorable senators, who have been criticised, have an equal right to show

the fallacy and sophistry of his position. The honorable senator waxed facetious at other honorable senators because of their thirst for information, but I do not think there is one who has a greater thirst of the kind that he has himself.

Senator STEWART.—I am satisfied with the information given.

Senator GIVENS. — Because Senator Stewart is satisfied to take the vote on trust, he thinks that every honorable senator ought to follow his example. The honorable senator became quite sarcastic because we had ventured to criticise the vote at all; he evidently thinks that, inasmuch as it meets with his approval, it should meet with the approval of everybody else. On this occasion Senator Stewart has departed from his usual logical attitude. For instance, the honorable senator contends that because we have control of the waters surrounding Australia we should proceed to act in exactly the same way as we should if we had control of the land. The honorable senator asserted that if we had control of the land we would think nothing of spending £100,000 in exploration; in fact, the honorable senator will soon rival Sir John Forrest, and ask us, "What is a million or two?" The honorable senator said that we would be quite willing to expend large sums in prospecting for minerals. That may be; but it would be exceedingly foolish for the Government to search for minerals, and, having found them, hand them over to private individuals. If I spend money in searching for gold and find it, I reckon that gold is mine; and so with the community as a whole. The members of the party to which I belong desire to initiate new and more equitable economic conditions; and if we are to be guided by what has been done by our political enemies and opponents in the past, there is no justification for our existence in this or any other Parliament. Senator Stewart said that if we owned the land we would have an army of surveyors exploring and classifying the ground. But let me point out that, under such circumstances, we would expect an enormous revenue from that expenditure, just as we should if we owned the mines. Neither instance cited by Senator Stewart is on all-fours with the present proposition. Senator Stewart pointed out the great evil, which I have not the slightest hesitation in admitting, that the fishing industry is in a totally disorganized state in

fishing grounds, it would not have slightest effect in placing the fishing industry on a better basis. It is when fish are most plentiful that the disorganization is the greatest. It is currently said in Melbourne that when fish are plentiful, either in the Bay or outside the Heads, they are destroyed in order that the dealers may get their own price in the market.

Senator TURLEY.—It is so in Queensland.

Senator GIVENS.—Therefore the more fish we get, the more disorganized will the industry be.

Senator DE LARGIE.—That is private enterprise!

Senator GIVENS.—Yes; and yet Senator Stewart takes us to task for daring to discuss private enterprise.

Senator STEWART.—Not at all.

Senator GIVENS.—The proper way to develop an industry of this kind is by means of protection or a subsidy, whichever may be deemed most desirable. Certainly that does not hold with our finding out new fishing grounds and developing the industry and then allowing private individuals to take advantage of the discovery with their trawlers, while the Government vessel means to find other fishing grounds. I am in favour of the imposition of protective duties for the support of any industry which it can be shown has a reasonable prospect of success in Australia. I refer to protective duties that will really protect, and not to duties as are imposed by the mongrel Tariff we have at the present time. I am in favour also of the granting of subsidies for the establishment of new industries. But I believe that it is entirely wrong for the Commonwealth to expend money to discover a source of wealth, and then hand it over to private enterprise. We have often been told that we should do nothing to interfere with States rights, and I should like to know if we have any assurance that the States will not regard this proposal as an infringement of their rights. I have a word or two to say in reply to Senator Keating, who gave the Committee some very interesting information, and quoted authorities which in no way justify the Government proposal. The honorable and learned senator quoted Mr. Savill Kent, one of the most eminent authorities on fisheries that we have ever had in Australia, as to the quantities of fish to be found along the Barrier Reef, on the no

the taxpayers' money wholesale to assist a handful of people who are better able to take care of themselves than are the majority of the people of the Commonwealth.

Senator CLEMONS.—He does not support a protective Tariff, which is the form usually adopted for giving public money to private individuals.

Senator GIVENS.—We know that there are no anti-Socialists, because members of all parties are Socialists so far as it suits themselves; but it is a well-known fact that Mr. George Reid, the leader of the so-called Anti-Socialist Party, has frequently announced his willingness to spend hundreds of thousands of pounds of the taxpayers' money to further private enterprise. If it is wise that we should expend public money to assist individuals, why should it not be right and just to spend public money to help the whole people? Until I get a satisfactory answer to that question, I shall be prepared to vote against this and every other similar proposal.

Senator DRAKE (Queensland) [9.9].—If I vote against this item, as I probably shall, I shall do so for reasons which differ from those expressed by a number of honorable senators. I have the greatest objection to any unnecessary expenditure at the present time, when I think that it is necessary that we should be very careful of the finances of the Commonwealth. I believe that this year the Government expenditure is within £300,000 of our constitutional spending limit, and there are several works which they propose to undertake which will increase our expenditure. Unless some action is taken to restore the financial equilibrium, we shall soon be jammed up against the Braddon section, and will have to consider reductions in expenditure which will be found to be very unsatisfactory and very unwelcome. In the circumstances, I think that we should do what we can, in dealing with these and other Estimates which come before us, to reduce the expenditure proposed where that can be done without a sacrifice of efficiency. This item does not appear to be the outcome of any thought-out scheme. Senator Keating has given the Committee a very interesting discourse on what has been done in other countries, and concerning what no doubt it would be desirable for us to do by-and-by. It seems to me that the enterprise involved in the particular vote under discussion is not one of urgent necessity at present. We

have power over fisheries only outside the three-miles limit, and I assume that fishing outside that limit will not be essentially different from fishing within the limit. I believe that the same appliances as are required for exploring the bottom of the sea within the three-miles limit of the coast will be required to explore the bottom beyond that limit. At the present time the States have, and will continue to have, the exclusive right to deal with fisheries within the three-miles limit, and until the Commonwealth Parliament passes laws dealing with that subject, the States laws will apply to the waters outside the three-miles limit. The matter is therefore one which, I think, might very well be left to the States at the present time. If we vote this money for the purpose of an immediate experiment, we shall have power to carry out that experiment outside the three-miles limit, but we will not have power to explore the waters of the coast within the three-miles limit.

Senator TRENWITH.—We should have that power with the consent of the States.

Senator DRAKE.—That is to say, they might raise no objection to our doing so. But it is probable that the people of the Commonwealth as a whole might object to trawling operations being carried on within the three-miles limit of the coast of any one particular State. It seems to me that the scheme is very imperfect. The question involved is not like that of meteorology or quarantine, one which can be very much better dealt with by a central authority than by a number of separate authorities, and when we take into consideration the fact that the States have now the exclusive power to deal with fishing within the three-miles limit of their coasts, and with fishing outside that limit until the Federal Parliament takes action in the matter, we might very well leave the subject to be dealt with by the States Parliaments, and for the present save the proposed expenditure. Two sets of opinions are being submitted to the Committee, and, whilst I agree entirely with those who consider that it is justifiable for the States to spend money for the purpose of developing or exploring an industry in order that private enterprise may derive benefit from it, I disagree with those honorable senators who have taken up the position that if States money is to be expended at all it must be in the establishment of a Commonwealth

would not be constitutional. I do not think that under the Constitution the Commonwealth Government are entitled to undertake the conduct of any industry except for the supply of Commonwealth wants.

Senator DE LARGIE.—Then the Commonwealth Government could not undertake the conduct of this industry at all, and could not even prospect it?

Senator DRAKE.—That is a very different matter. I see no reason for giving a vote in favour of the establishment of a fishing industry to be carried on by the Commonwealth. I wish it to be understood that in voting against this proposal I am not against the principle involved. I think it is quite correct that pioneering work for the benefit of the whole community, and not for the benefit of any particular body or individual, should be carried on at the expense of the States. It is justifiable for the States to undertake whatever pioneering work may be necessary for the development of great industries, and I should look upon the proposed expenditure as being justifiable in other circumstances, and at some other time. I hold that at present we have no money to spare for this work, and that as the conduct of fisheries within the three-miles limit off the coast, and until we enact legislation dealing with the subject beyond that limit, is at present the absolute right of the States, we had better leave the work for the present to the States.

Senator TRENWITH (Victoria) [9.15].—It seems to me that the proposal is a very desirable one. I dissent from the attitude taken up by the last two speakers. Senator Drake pointed out that the proposal was incomplete—maimed, I think he said—because of the inability to prospect within the three-miles limit, inasmuch as the States might object. When I interjected that probably some of the States would be very glad to permit the investigation to be made within their territory if the Commonwealth so desired, he looked upon my suggestion as objectionable, because he thought it would be unjust to other parts of the Commonwealth. But as each State has a considerable stretch of coast line, it is quite possible by mutual consent that an investigation might be made by a Commonwealth vessel of this kind, both within and without the three-miles limit round the entire

Australian waters, it would be an immense advantage to the Australian people. Unfortunately, the Commonwealth is very limited in its power to attract persons to engage in industries, as it has no land. We all admit that it would be a great thing for the Commonwealth if its population were very much larger, and this appears to be a direction in which the Commonwealth has power to develop fields of industry which may attract and maintain population. I sympathize entirely with Senator Givens in his statement that if this be discovered to be a profitable business, it would be a good thing to have it prosecuted by the Commonwealth in its own interests. I do not agree that there is a constitutional bar to that. I believe it is quite competent for the Commonwealth to undertake fishing or other work in the way of commercial enterprise in its own interests. However, if there be a constitutional difficulty, that seems to be an insufficient reason for not doing what we can within the Constitution. I also agree with Senator Givens that the States have not pursued a wise policy in undertaking all the initial and unprofitable expense in connexion with mining, agriculture, and other industries, and leaving them when profit-making. But it is better to go that far than not to do anything in assisting to develop industries. This appears to me to be a step in a direction in which my honorable friend desires to go. I agree that it does not go the whole way, but it is a step which would facilitate matters, and which would have to be taken by the Commonwealth in carrying out the complete undertaking, which both he and I desire. Those who think that the Commonwealth Government should do whatever it can to develop sources of employment, should certainly vote for the item. It is objected that we are approaching the limit of our spending power, but I think that we are still a long way off the point of danger. It should be remembered that the Commonwealth is undertaking, and I think properly undertaking, many public works out of revenue, and it is because of that policy that we are as near as we are to the limit of our spending power. This trawling experiment is in the nature of a public work, which even some States might carry out with loan money, but which we propose to carry out with revenue. There will be

some expenditure for maintenance, which may recur; but the initial expenditure will not recur, and we shall have £8,000 to spare for some other useful work, I hope in the years that are to come. I strongly urge upon those who are members of a party which claims, and rightly claims, and always aims to secure the best possible means of profitable employment for those who toil to live, that this experiment, if successful, would open up another avenue of employment.

Senator GIVENS.—Does not the honorable senator think that the most proper way is by means of a bounty and a duty?

Senator TRENWITH.—Both ways are good, and this proposal is in a degree in the nature of a bounty. I agree with the honorable senator that if we discover a profitable fishing ground, it may be necessary to take steps to keep our market absolutely to ourselves, that is to initiate a protectionist Tariff. What I look forward to, first of all, is a better system of fish supply for Australians. It has been very properly pointed out that in the case of each State, the fish supply is not well organized. This expenditure may, probably will, initiate an organization by the Commonwealth of the fisheries over which it has control, and if there is evolved a fishing industry, I should hope to see regulations—a law, if need be—providing that when fish are plentiful, they shall not be permitted to be turned into manure, to the detriment of those who would be glad to pay a reasonable price for them.

Senator KEATING. — We import 13,000,000 lbs. weight of fish per annum.

Senator DRAKE.—Valued at £300,000.

Senator TRENWITH.—I was not aware of the figures. For these reasons, I shall vote for the item.

Senator TURLEY (Queensland) [9.24].—I propose to divide the Committee on this item, and I trust that it will be struck out. I do not think that the experiment, if made, would be successful. The business of the Committee has been carried on in a very peculiar way. In his second-reading speech, the Minister of Defence gave very little information concerning this item. He merely said that an experiment had been tried in South Africa, and in Canada, and that the value of the fishing industry to certain countries was so and so. Senator Pulsford was right when he urged that we were entitled to get full information, if it was in possession of the Government,

before we were asked to vote on the question. For nearly two hours senator after senator rose and asked if there was any information in the possession of the Government which could be given, and it was not until long after the resumption of the sitting that we were able to get certain information from Senator Keating.

Senator KEATING.—I was ready to give it before the dinner hour, but I could not stop senators from talking.

Senator TURLEY.—The honorable senator could have got an opportunity quite easily if he had risen to speak. He started off by saying that there was always an objection to expenditure, and said that the expenditure proposed in the Census and Statistics Bill was criticised on much the same lines as this item. This proposal is essentially different. That Bill provided for the appointment of a Federal officer to do certain work which could be better done by the Commonwealth than it apparently could be done by the States acting separately. But this proposal deals with a subject which has engaged the consideration of a number of the States. Until Senator Smith spoke, I was not aware that Victoria had made an experiment in this direction. Apparently all the States except one have spent a considerable sum, but each experiment has been a failure. Senator Keating quoted the evidence of Mr. Saville Kent in regard to the Queensland coast. That gentleman was employed by the Queensland Government for a number of years in connexion with the pearl-shelling industry. I do not yet know whether the work for which he was paid has been of any particular value to the people of the State, or to those who are engaged in the pearl-shelling industry.

Senator DRAKE.—He gave us a very interesting report.

Senator TURLEY.—I admit that, from a scientific point of view, Mr. Saville Kent furnished a most interesting report. He pointed out that, in all probability, the best way to develop the pearl-shelling industry would be by means of nurseries. I believe that some thousands of pounds have been spent in experimenting as he suggested, but, so far, no success has been met with. Senator Keating spoke of the fish that are to be found inside the Barrier. Does the honorable senator believe that fish similar to the English herring, pilchard, and mackerel are caught either in Australia or elsewhere by trawling? I have a little

knowledge of the way in which those fish are caught, but I have not heard of that being done yet. They are caught by drift or seine net.

Senator STEWART.—They are caught by trawling.

Senator TURLEY.—As the honorable senator seems to be an authority on everything under the sun, I suppose I must take his word.

Senator PLAYFORD.—On this trawler we shall have nets.

Senator TURLEY.—The information is dribbling out. Previously, the Minister did not give us a solitary item of information. We have been told about the sums of money spent in Canada and other places, but that has been mostly in connexion with the protection of fisheries. Senator Keating pointed out that England has entered into an agreement with the countries on the Continent and that they are going to spend a large sum. I venture to say that the English Government has never spent a penny in fitting out a ship to trawl, or do any other sort of fishing, but has merely kept its own ships on the coast—as has been done, I suppose for 200 or 300 years—with the object of protecting the fishing industry. There are prescribed limits within which certain nets are not allowed to be used on the English coast, and the British Government has to keep vessels going round the coast to see that the fishing boats do not poach within the limits marked out for them. That is the reason for the expenditure incurred around the coast of Great Britain, and not that the British Government goes in for fitting out ships for certain kinds of fishing work. Nothing of the sort takes place.

Senator DE LARGIE.—But the British Government has done it.

Senator TURLEY.—I hope that the honorable senator will be able to give us some authentic information as to when it was done. I never heard of it. My belief is that the fishing industry in British waters has been carried on for hundreds of years and that there has been no necessity for the British Government to show the people how to do their work.

Senator DE LARGIE.—Because the honorable senator has never heard of it he need not flatly contradict others.

Senator TURLEY.—Senator de Largie appears to be an authority on this subject as well as on others. He tells us that on the Scotch coast herring are caught by

trawlers. I am satisfied, from that remark, that he knows very little about fishing. The fishing people will have a good laugh when they read that Scotchmen like Senator Stewart and Senator de Largie tell the people of Australia that in Scotland people trawl for herring.

Senator DE LARGIE.—That shows how much the honorable senator knows about it.

Senator TURLEY.—I fancy that I know something about the subject, and that Senator de Largie knows very little. He also told us that when he was in Western Australia fish were playing around the boat in which he was, and he wondered whether trawlers would be able to develop an industry by catching the fish that he saw schooling.

Senator DE LARGIE.—I said that I saw them in the harbor.

Senator TURLEY.—We are not dealing with harbor fishing now, but with quite a different proposal. While people may be able to catch herring with a trawler in Scotland, I venture to say that it is not done anywhere else in the world.

Senator GIVENS.—Perhaps Scotch herring are caught in that way.

Senator TURLEY.—They may be. Senator Keating, when I interjected, said that these steam trawlers carry all sorts of nets. I asked, "Where?" and he replied, "In the North Sea." He added that he would give me some information in that regard. I am still waiting for that information. I know something about the work carried on by those vessels, and venture to say that they carry no nets, except for trawling purposes, and that they do not go in for herring fishing at all. Boats for herring fishing are fitted out in an entirely different manner, with different appliances of every description. They go out with the object of catching one kind of fish, and do not attempt the operation of trawling. Trawlers are vessels that go out from Hull, Lowestoft, and other places around the coast of England for perhaps seven or eight weeks at a time, attended upon by other vessels that pick up the fish from them, and take it away to market. They do not use drift nets, or any other kind of nets. I do not believe in this proposal at all. In my opinion, the men engaged in the fishing industry in places like Melbourne are as well acquainted as any one can be with the habits of the fish that they go out to catch. They know the means by which they can obtain the best

results from the work that they do. It may be suggested that their operations are restricted, because they have not sufficient capital. But there is a fairly large organization in Melbourne that would put money into this business for experimental purposes if there were a reasonable prospect of success; and if they believed that there were fish to be caught by trawling they would go in for it. A trawler does not catch fish on the top of the sea. The trawl beam is only about 4 feet from the bottom. It rests upon two trawl yards; and it is only the fish that can go under that beam that the trawlers are able to get into the nets at all. If the people engaged in the fishing industry believed that it was possible to trawl profitably, or that the fish existed, or that the bottom was sufficiently smooth to enable the operation of trawling to be carried on, and that they would get a large return for their money and for the labour that they put into the work, they would undoubtedly go in for it. Many of them have made a life's study of fishing, and are naturally on the look-out to improve their opportunities. Men who have been a lifetime in the industry will laugh at this idea of the Government. The experiment has already been tried in Queensland, in spite of the ridicule of those who knew that it would be a failure, but who were proved to be perfectly right. The whole scheme was torn to pieces before the trawlers had gone out more than a mile or two. The experiment will be extremely expensive. It is possible to get to know what the bottom of the sea is like without bringing a trawler into play. It is easy to find out if there is any obstruction in the way by a much simpler method. It is not to be denied that there is a large quantity of fish around the coast of Australia. I have seen far more fish caught in Queensland at one time than all the towns in the country would be able to consume. It has to be remembered that the up-country towns cannot afford to buy fish in large quantities. The cost of transit, and of packing in ice to send fish to the back country is very great. As a matter of fact, therefore, a large quantity of fish is not consumed in the interior. It is urged that the fact that we import large quantities of fish shows that there is a necessity for developing the industry. It shows nothing of the kind. Great Britain imports large quantities of fish—in all probability more than we do, although millions of tons of fish are caught in the British seas. Yet

I have seen the time when fishermen would not attempt to put their boats out when fish were plentiful, because, even if they were successful, there was no market for their commodity. In Queensland, when sea mullet has been in, I have known occasions where there must have been thousands of tons of fish available. Quantities more than sufficient to supply any demand could easily have been caught. But there was not a sufficient market for it. The idea of going out to trawl for mullet, however, is all nonsense. I sincerely hope that the Committee will reject the item under discussion, because I believe that the money will be wasted.

Senator DE LARGIE (Western Australia) [9.40].—Had it not been for the criticism of the action of the Government in regard to the purchase of the trawler I should not have spoken again. But I wish to point out that what has been done by the States Governments in this direction has not been anything like complete. That work, however, gives promise that much more satisfactory results would be achieved if a more thorough experiment were undertaken. That remark is borne out by an official report upon the trawling operations in Western Australia during 1904. I will quote only a short paragraph to show that there is fair promise of a future for this industry. The report says—

Operations were commenced in Geographie Bay in the early part of the year, and although the ocean floor proved suitable for trawling in many places, no fish of any value were captured, owing, I think, to the hungry nature of the bottom, coarse sand and shell, showing very little feed on it. Similar ground to this was met with as far north as Geraldton, when the nature of the ocean floor changed, and better prospects were obtained, and a large extent of splendid trawling ground was discovered between the Abrolhos and the mainland, and although fish were not caught in payable quantities, further prospecting at other seasons of the year might be successful. Being guided by the experiments of South Africa and New Zealand in their trawling experiments, I was anxious to try and find a muddy bottom, which seems conspicuous by its absence along our Southern coast: the nearest approach to it was found in the vicinity of Bernier Island, 40 miles west of Carnarvon. Here we discovered a very large extent of trawling ground with good feed upon it, and where a large quantity of our principal food fishes were caught.

I think it will be admitted that, while some work has been done by the States, more remains to be done, and I hope that when the Commonwealth trawler commences operations the work initiated by the States

Governments will be carried to a successful issue. I should also like to read a short statement from the *Encyclopædia Britannica* on "Fisheries," to show that the British Government has done something similar to what is proposed to be done by the Commonwealth Government. It is stated that—

Under the Sea Fisheries (Scotland) Amendment Act of 1885, the Board closed the Firth of Forth and St. Andrew's Bay against trawlers as an experiment for the purpose of ascertaining the result of such prohibition on the supply of fish on the grounds so protected. The Treasury also, by a further grant of £3,000, enabled the Board to purchase the steam yacht *Garland* as a means of carrying out regular experimental trawlings over the protected grounds.

Senator TURLEY.—That means that fishermen are not allowed to fish in the protected grounds. That is what I said. That is where the money has been spent; not in developing, but in protecting fisheries.

Senator DE LARGIE.—I understood the honorable senator to say that the British Government had done nothing. It is clear that this money was spent for experimental purposes. I should also like to quote an extract from the *Glasgow Weekly Mail* as to trawling on the Moray Firth. A case was brought before the Full Bench of the Scottish Courts affecting the right of foreign trawlers to fish within certain limits of the Moray Firth. The report says—

The question arose on an appeal to the Judiciary Court on behalf of Emmanuel Mortensen, 24 Montague-street, Grimsby, the master of a Norwegian trawler, against a decision of Sheriff Guthrie at the Sheriff Court at Dornoch, convicting him of having contravened the Sea Fishing Acts and Herring Fisheries (Scotland) Acts by having used the method of fishing as otter trawling in the Moray Firth, within the area specified in a by-law made by the Fishery Board for Scotland.

Senator TURLEY.—That is what I say. Trawling is not allowed within certain limits.

Senator DE LARGIE.—When speaking this afternoon I referred to trawlers being used on the west coast of Scotland. At that time I was not quite sure as to the kind of fish they caught. But this I know perfectly—that the same steamers as are generally referred to as trawlers go in for herring fishing just as they go in for ordinary trawling. Although they go in for net fishing, for instance, they are always referred to as trawlers. In ordinary language these vessels are

called steam trawlers; but, as a matter of fact, the trawler is merely the gear, and the steamer could be used for either net or trawl fishing. I might point out that the survey of a great portion of our coast is very incomplete, and the steamer might be made good use of in this connexion. In my opinion the Government are quite justified in making this experiment, and on that ground I support the item.

Question—That the item, "Trawler and equipments, £8,000," stand part of the schedule—put. The Committee divided.

Ayes	...	...	...	14
Noes	...	...	...	5
Majority				9

AYES.

Croft, J. W.	Smith, M. S. C.
Dawson, A.	Stewart, J. C.
Findley, E.	Story, W. H.
Henderson, G.	Styles, J.
Higgs, W. G.	Trenwith, W. A.
Keating, J. H.	
Pearce, G. F.	<i>Teller:</i>
Playford, T.	De Largie, H.

NOES.

Dobson, H.	Mulcahy, E.
Drake, J. G.	<i>Teller:</i>
Givens, T.	Turley, H.

PAIR.

McGregor, G.	† Clemons, J. S.
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Question so resolved in the affirmative.

Senator PEARCE (Western Australia) [9.51].—I should like to know whether any provision is made in these Estimates for ranges for artillery practice. Inspector-General Finn in his report recommends that the Government should at once provide artillery ranges; and I should like to know whether anything has been done in that connexion. The longer this work is put off the more expensive will it become, owing to the increase in the price of land.

Senator PLAYFORD (South Australia—Minister of Defence) [9.52].—Nothing has been done definitely in the way of providing artillery ranges. The cost is practically prohibitive, considering that a range must be ten miles long and several miles broad. The Government have under consideration the purchase of a range in Queensland, where there is rough country which might be obtained in sufficient quantity for the purpose; but to get an artillery range near any centre of population is practically out of the question.

At present in South Australia, Victoria, and elsewhere, the rule is to practice the artillery over the sea, and the Government are not prepared to put down a sum sufficient to obtain a suitable range on land. In Sydney, at the National Park, artillery practice is allowed on certain days at certain hours; but the State Government would certainly not part with any of that reserve, which has been set aside for recreation purposes. With the exception of that land, I do not know any within hundreds of miles suitable for artillery practice.

Senator FINDLEY (Victoria) [9.54].—I should like to have some information regarding the item of £1,424 for a site for a rifle range at Kyneton?

Senator PLAYFORD (South Australia—Minister of Defence) [9.55].—The note I have as to that item is as follows:—

Approximate area 438 acres. This site is admirably suited for a rifle range; is private property; it is close to Kyneton, and the centre of a sound and growing district. It is pointed out that if this opportunity to purchase now be missed, no other site is known of in the district. The owner will not sell the portion actually necessary for the range itself, but will sell the whole area shown on plan. Purchase money asked for, £3 5s. per acre. Lessor and owner will not sub-divide.

Senator FINDLEY.—How many members are there in the rifle corps at that place?

Senator PLAYFORD.—I do not know.

Senator CLEMONS (Tasmania) [9.56].—I suppose that honorable senators recognise, as I do, the meagre amount of money we are asked to vote in connexion with the Naval Forces. Almost the whole of the expenditure is in connexion with the military; but there is one item, small as it is, of £260 for alterations and additions to existing works and buildings for the Naval Forces. If the Minister has brought himself to recommend such an expenditure on naval defences, I should like to know what is the meaning of the item.

Senator PLAYFORD (South Australia—Minister of Defence) [9.57].—This expenditure is in connexion with the torpedo dépôt at Williamstown. When I was at the dépôt some time ago, I was perfectly satisfied that an expenditure of this kind was necessary for the purpose of asphaltting the dépôt, and concreting an area of land recently added to the property.

Senator STEWART (Queensland) [9.58].—I see there is an item of £1,000 as the first instalment towards the cost of a rifle

range at Brisbane for the metropolitan troops. This item has appeared regularly year after year, since, I believe, the inauguration of the Commonwealth. Apparently none of the money has been spent, and, perhaps, the Minister will tell us how the matter stands.

Senator PLAYFORD (South Australia—Minister of Defence) [9.59].—The matter stands exactly as it did when I took office, and, I think, also when the two preceding Ministers took office. However, this is no laughing matter; because there are great difficulties in the way of obtaining a suitable range for Brisbane and neighbourhood. Honorable senators know that at present a reserve is being used for the purpose, but practically on sufferance. We have been looking out for a range for a long time past, and certain of the military authorities chose a site at Sandgate. This land, however, is in connexion with a Roman Catholic orphanage, and the owners strongly object to any portion of it being used for a range.

Senator GIVENS.—Did not the Marine Board also object?

Senator PLAYFORD.—Yes; the Marine Board first gave permission, and then they objected to the land being used for the purpose. When I was in Brisbane I went over the site, and came to the conclusion that, if we could find a suitable range anywhere else, we ought not to deprive the Orphanage people of the land, on which they appear to set much value. At the present time a thorough examination is being made of a site at Woolston, which is situated about half way between Ipswich and Brisbane; and I have received a report from which it appears that the land is in every way suitable. The trouble, however, is that it is so far from Brisbane that it will cost the men 1s. 9d. or 2s. for a return ticket.

Senator GIVENS. — How much further from Brisbane is this site than the site at Sandgate?

Senator TURLEY.—It is just a mile further.

Senator PLAYFORD.—I know that a great deal of fuss was made about the cost of travelling to the Woolston range. At present I understand that the people of Brisbane are not willing to permit the extension of their cemetery to the portion of the cemetery reserve which is now being used as a rifle range at Toowong. If the Department can purchase the land they

occupy there we shall be able to establish a very good range, which is almost in Brisbane, since it is connected with that city by a tram service. The members of the rifle clubs interested will be only too pleased if we can permanently secure that site for a range.

Senator DRAKE.—Can the range there be made safe? I ask the question, because there has been one legal action in connexion with it already.

Senator PLAYFORD.—It can be made perfectly safe. That will involve only the alteration of a road now made to the top of Mount Cootha. The Commonwealth Government would, of course, have to meet the expense necessary to alter that road. I have instructed the officers of the Department to make inquiries as to whether it is possible to get the cemetery reserve now occupied into the hands of the Commonwealth for the purposes of a rifle range. If that be found to be possible there will be no further trouble in connexion with the matter. If we cannot secure that land it appears to me that we shall have to establish the range at Woolston, where a large proportion of the land that would be required belongs to the State Government. Although the States Governments make as high a charge as they can for property transferred to the Commonwealth, I think we should get the land at Woolston for something like a reasonable price.

Senator TURLEY (Queensland) [10.3].—I am glad to have heard the Minister's explanation of this vote, because the matter dealt with has hung fire for two or three years. I am very pleased to know that it is not the intention of the Government to interfere with the land granted many years ago to the Nudgee Orphanage. There are some 800 or 900 children provided for in that institution, some cattle are kept, a little gardening is done, and a considerable area of land is required for the work which is being carried out there. I know that some objection was taken by the military authorities to the Woolston site, but I am inclined to think that the Commonwealth would save money by securing the land at Woolston.

Senator DRAKE.—It would be better, if possible, to continue the range to Toowong.

Senator TURLEY.—That is so, but whilst the land at Toowong would probably cost from £10 to £12 per acre to resume, it should be possible to secure the Woolston land for about £1 per acre. In connexion

with the proposal to establish the range at Nudgee, the opinion seems to be that the riflemen desired to combine rifle practice with a visit to the seaside. I am glad that the Minister has decided that, if possible, the Toowong range shall be retained, and in the event of the Department being unable to secure that site, that the Woolston site shall be secured. I think that there is only about a mile in the difference between the distance from Brisbane to Woolston and from Brisbane to Sandgate.

Senator PLAYFORD.—But men visiting a range established at Nudgee would leave the train at Cabbagetree Creek and would not go on to Sandgate.

Senator TURLEY.—That is so, but, allowing for that, the difference in distance would not be more than about two miles. I might inform the Committee that the suburban train service from Brisbane runs as far as Oxley, and the local Railway Commissioner has stated that the Department would be prepared to run regular trains to the next station at Woolston if any considerable number of men desired to go to Woolston for rifle practice.

Senator GIVENS.—A range at Woolston would be convenient for rifle men at Ipswich.

Senator TURLEY.—It would, and it would be more convenient for men travelling from Toowoomba than would a range at Nudgee. The bulk of the men who comprised the Queensland contingents who went to South Africa were recruited from the farming districts between Brisbane and the foot of the range, and a rifle range established at Woolston would be conveniently situated for men residing in those districts. I believe that the States Governments should be interested in defence matters as well as the Federal authorities, and they should be prepared to stretch a point, if necessary, to give facilities to men desiring to attend rifle ranges to render them as efficient as possible. I repeat that I am very glad that it is not the intention of the Department to take any land from the institution established at Nudgee.

Senator DOBSON (Tasmania) [10.8].—I should like the Minister to explain the principle on which these grants to rifle clubs are submitted for rifle clubs. We are at present dealing with a vote of £300 for rifle clubs—there is a vote of £300 for rifle clubs for South Australia, another vote of £300

for Tasmania, and under the heading of Western Australia I find an item, "Grants to rifle clubs for rifle ranges—£600." Are the votes of £300 which I have enumerated in the nature of subsidies paid to rifle clubs?

Senator PLAYFORD (South Australia—Minister of Defence) [10.9].—These votes are for the purpose of constructing butts in connexion with rifle ranges. Under the regulations, according to the number of members in a rifle club, a vote of £20 or £50 is given for the purpose of erecting butts for the use of the members of the clubs.

Senator TURLEY (Queensland) [10.10].—I see nothing on these Estimates for Queensland to provide storing accommodation for vehicles, and a considerable amount of other equipment belonging to Ambulance and other corps in Brisbane. When I was last there, I was informed that while a considerable amount of equipment had been provided, they had nowhere in which to store it. I believe that the Minister promised that a vote of something like £200 would be put on the Estimates for the purpose. In view of the fact that the equipment cost a considerable amount of money, a small sum might wisely be expended in providing proper accommodation for it.

Senator PLAYFORD (South Australia—Minister of Defence) [10.11].—Provision was made out of last year's grant for the purpose of providing additional accommodation for stores at Brisbane. When I was there, I went over the military stores, and I came to the conclusion that by getting rid of a lot of obsolete stores the accommodation required for all necessary equipment would be ample.

Senator TURLEY.—Have the instructions given to get rid of obsolete material been carried out?

Senator PLAYFORD.—I believe they are being carried out by degrees.

Senator STORY (South Australia) [10.12].—I should like some explanation of the item No. 8, under the heading of South Australia, "Land and construction of drill halls for country corps—£525." I find that there are special votes put down for a drill hall and orderly room at Narra-coorte, for land and building at Orroroo, for a drill hall and orderly room, and for land and building at Yankalilla for an orderly room and store. In the circumstances, I should like some explanation of

the somewhat indefinite vote of £525 to which I have referred.

Senator PLAYFORD (South Australia—Minister of Defence) [10.13].—The vote of £525 for land and construction of drill halls for country corps is simply a re-vote to complete the drill hall at Port Pirie.

Senator STORY.—Then why is not Port Pirie mentioned?

Senator PLAYFORD.—I do not know why it should not be mentioned, but the explanation of the vote given me is merely that it is a re-vote for the purpose stated.

Senator PEARCE (Western Australia) [10.14].—We had as our Inspector-General an expert in military matters in the person of Major-General Finn. He was paid a big salary, and looking through his report, which I presume is intended for our guidance in military matters, I find that, speaking of Northam, he says—

The range is very much out of repair, and requires immediate attention.

He proceeds to quote the local report, from which it would appear that the range is so much out of repair as to be almost useless.

Senator PLAYFORD.—When was that report issued?

Senator PEARCE.—On the 30th October, 1905. Major-General Finn reports that—

There are three troops of Light Horse at Northam. It would be advisable to extend the mounds and make the range a two section one.

I should like to hear from the Minister whether any steps have been taken to improve that range, and whether a vote for the purpose is included in the schedule to this Bill?

Senator PLAYFORD (South Australia—Minister of Defence) [10.15].—I do not think that any sum for the purpose is included in these votes. I am not quite sure, but I am inclined to think that the matter was attended to last year. I know that if the range was so much in need of attention as Major-General Finn reports, and if the matter had not already been dealt with, I should have been asked by the Commandant of the State to put a sum on the Estimates for the purpose. I think that all necessary improvements to the range in question must have been attended to.

Senator DOBSON (Tasmania) [10.15].—I observe an item of £300 for alterations to the rifle range at Sandy Bay, near

they cannot get the range removed. Will he instruct the local military authorities to inquire whether, by shifting the butts a little more to the south, it would not be safe for us to continue the road to Mount Nelson? The road, if finished, would be one of the most magnificent roads in the world, I believe, but the work cannot be proceeded with because the bullets from the soldiers' rifles would whistle about the heads of the workmen. My idea is to move the butts a little more to the left, in order to make it safe to continue the road.

Senator PLAYFORD (South Australia—Minister of Defence) [10.16].—That is exactly what is proposed. Under the head of alterations to the Sandy Bay rifle range, I have a note to this effect—

One of the long distance ranges is considered to be unsafe, and it has been found necessary to effect certain alterations to bring the firing well within the boundary of the range, so that the present danger may be removed. It may be necessary to swing the end of the range in, say, twenty yards, and make alterations to the mounds, &c.

I believe that it is the intention of the Department to accomplish what Senator Dobson desires. They are going to swing the range round.

Senator DOBSON.—To the right or to the left?

Senator PLAYFORD.—It is not stated in my note.

Senator CLEMONS (Tasmania) [10.17].—I observe an item of £600 for drill-room and offices at Launceston, and also an item of £600 for a magazine there. I desire to ascertain from the Minister whether it is really the intention of the Department to spend the money before the 30th June, 1907, in the construction of those new buildings, and, if so, what has become of the present magazine in Launceston.

Senator PLAYFORD (South Australia—Minister of Defence) [10.18].—I cannot tell Senator Clemons what has become of the present magazine; I did not know that there was one in Launceston.

Senator CLEMONS.—What about the two items?

Senator PLAYFORD.—I understand that the plans are ready, and that the Department is prepared to go on with the works at once, but, of course, I cannot promise that they will be completed before the end of the year. I have no doubt

on the subject is as follows:—

For erection of magazine on rifle range. Site and other buildings to be considered as "transferred property." The proposed new building is to be set apart for State purposes, for mercantile explosives, the State to pay rental, and the Commonwealth to utilize present buildings for its purposes. There is no military magazine or shell store at Launceston; both are urgently required, as at present filled shell fuses, tubes, &c., are stored at the barracks.

Senator CLEMONS (Tasmania) [10.19].—The Minister has stated that at the present time there is no magazine in Launceston. He will now understand why I ask if it is seriously intended to push on the construction of a magazine there before the 30th June, 1907.

Senator PLAYFORD.—Undoubtedly.

Senator CLEMONS.—I am glad to hear the Minister says "Undoubtedly." I hope that he will pay attention to my remarks, and see that the work is expedited.

Senator DOBSON.—Are the miniature rifle ranges for which £100 is required intended for the cadets?

Senator PLAYFORD (South Australia—Minister of Defence) [10.20].—We have miniature rifle ranges in connexion with the militia and volunteers. All my note on the subject says is "For the purpose indicated," but whether they are intended for the use of cadets or for the use of militia and volunteers I do not know.

Senator DOBSON.—Where could I see one of them?

Senator KEATING.—Down at the Naval dépôt. They are provided with targets of reduced size.

Senator DOBSON (Tasmania) [10.21].—I observe an item of £2,500 for site and constructing gun, emplacement, and accessories at Hobart. Is that money required for a fort situated two or three miles below Hobart, where some land was resumed?

Senator PLAYFORD (South Australia—Minister of Defence) [10.22].—According to my note—

The armament of Hobart is insufficient. It is necessary to mount a modern gun commanding the approaches and the Derwent. The design is such that, at a future date, another gun can be mounted by extending the proposed work.

Senator DOBSON.—What is the size of the gun?

by the Imperial Defence Committee.

Senator CLEMONS (Tasmania) [10.23].—No doubt the Minister was impressed by some recent remarks of the Inspector-General with reference to the desirability of having moving targets. Perhaps the Minister has that in contemplation; but throughout the Bill I cannot find any appropriation for that purpose, whether for Tasmania or any other State. I therefore ask him if he intends to pay serious attention to the very strong recommendation which was made by Major-General Finn, or if an appropriation for that purpose will be made in another Bill?

Senator PLAYFORD (South Australia—Minister of Defence) [10.24].—Of course, we have not moving targets in connexion with all rifle ranges, but steps are being taken in those places where rifle ranges are very much used to have them.

Senator CLEMONS.—There are none in Tasmania.

Senator KEATING.—Are they not used some times at Sandy Bay?

Senator PLAYFORD.—I think that Senator Clemons will find that there will be moving targets at the Launceston range when it is finished, because it is proposed to have an Inter-State contest there soon.

POSTMASTER-GENERAL'S DEPARTMENT: RE-VOTES: POST-OFFICES.

Division 5 (*Postmaster-General's Department*), £217,722.

Senator DOBSON (Tasmania) [10.25].—In my second-reading speech I said that in my opinion there is something wrong in the way in which these Estimates are always prepared, inasmuch as the re-votes invariably amount to a very large sum. The Minister will see that in the case of New South Wales we are asked by the Post and Telegraph Department to re-vote the sum of £8,147, when the new votes amount only £4,982.

Senator PEARCE.—That is owing to the fault of the Department of Home Affairs not getting the money spent within the financial year.

Senator DOBSON.—Again, in the case of Victoria, a sum of £13,197 was not spent, and we are asked to pass new votes to the extent of £11,059. My experience estimates for public works has been that officers, whether road inspectors or

Minister goes through the items, and cuts them down, knowing that economy is essential, and then in Cabinet they are cut down again. It appears to me that in the case of the Federal estimates for public works everything which has been mentioned or suggestion is put down, and that every year we vote thousands of pounds which cannot possibly be expended within the year. In my opinion that system is likely to lead to carelessness and extravagance, and to create in the minds of our citizens the impression that they have only to ask the Government for a post-office or a rifle range when it will be granted. We ought not to vote a large sum if only about one-half of it can be spent within the year.

Senator PLAYFORD (South Australia—Minister of Defence) [10.26].—It is not a question of voting a large sum, and of being able to spend only one-half of it within the year. We do not know whether we shall be able to expend the whole of the vote; we do not know what trouble may arise in connexion with contracts. I have an explanation of all the items to which the honorable senator has referred as representing re-votes. I find that all the works on the 30th June last were unfinished, and are in progress at the present time. There is still a large sum to be paid in respect of them. This position of affairs arises wherever responsible Government prevails and Estimates have to be passed. A Minister has to provide for certain works, but cannot say when preparing his Estimates whether he will be able to expend within the financial year the whole amount for which he asks. In many instances he cannot do so. The whole thing, however, balances itself. On the one side of the ledger the Minister has a statement of the works authorized, but not completed, and on the other side he has some excesses of votes set out. In South Australia the excesses of votes were generally equal to the unexpended balances. We used to bring them forward, and the unexpended balances required to be re-voted. That is the position here. I am advised, for instance, that the post office at Bangalow has been authorized and a contract will be let shortly, that the work of constructing the Kurri Kurri post office—a brick building—has also been authorized, and the contract is in progress, whilst the Mosman post office is almost completed.

Senator DOBSON.—I have been accustomed to a different system.

Senator FINDLEY (Victoria) [10.28].—I should like the Minister of Defence to give us some information as to the item "site for post-office at Windsor, £850." Perhaps he will tell the Committee what is the area of the land and the price paid, or proposed to be paid, for it.

Senator PLAYFORD (South Australia) [10.29].—The information I have on this subject is as follows:—

The site is of the following dimensions: 40 feet 9 inches in Albert-street, 41 feet 3 inches in Vine-street; depth, 90 feet 6 inches, on which is erected a brick villa of seven rooms, with out-houses. The position is one that is gradually assuming a business importance, being a few steps west of Chapel-street, and nearly opposite the Melbourne entrance to the Windsor railway station. The question of effecting alterations and additions to the present premises was considered, and it was decided that there would not be sufficient accommodation to provide for the extension of the switch board. Another phase of the question was the terms with the Railway Department, and the land required would need to be leased for thirty years, after which the buildings would revert to the Railway Department; notice to quit might be served at any time after the expiry of the before-mentioned period. It was considered undesirable to provide for the switch board extension in the present building, as it was deemed necessary to provide sufficient accommodation to meet future expansion, in addition to present need.

I have no information as to the price per foot paid for the land.

Senator CLEMONS (Tasmania) [10.31].—I rise with considerable diffidence to refer to a question relating to Queensland. We have just passed an item providing for the construction of the Warracknabeal post office, which was keenly criticised last session, when it was pointed out that the proposal to expend £2,486 upon a postal building in such a town seemed to be excessive. We now find that £3,609 is to be expended in constructing a post office at Cairns.

Senator DRAKE.—It is a very important town.

Senator CLEMONS.—I have been to Cairns, and unless its population has increased at a most remarkable rate since I visited it some time ago it will have in proportion to its size the most palatial post office in the Commonwealth. I ask the Minister to explain, if he can, why such an enormous sum—a sum which he will agree is quite out of proportion to the amounts usually voted for postal buildings

—is to be spent upon this structure. Apparently the original vote was £2,499.

Senator KEATING.—The erection of a wooden building was contemplated, but the Cairns Council pointed out that the erection of such a building was not permissible within the area proposed.

Senator CLEMONS.—I presume that the £2,499 which I see in the subdivision relating to Queensland as a re-vote was the sum originally proposed to be expended on this post office.

Senator PLAYFORD.—I believe that the original vote was larger.

Senator CLEMONS.—I am merely dealing with this item on the assumption that the total amount to be expended, and which will have to be borne by the Commonwealth *per capita*, is to be over £3,000. The item is sufficiently large to justify a demand for an explanation.

Senator PLAYFORD (South Australia—Minister of Defence) [10.33].—If the honorable senator turns to last year's Estimates he will find a footnote showing that the £2,499 to which he refers represented only a portion of the amount required. I do not agree with his view as to the postal requirements of Cairns. I visited the town not long ago. I then looked at the proposed site, saw the work being done at the post office, noticed the overcrowded condition of the present building, and, having examined the plans, arrived at the conclusion that the increased accommodation proposed would only be slightly in excess of actual requirements. I considered that we ought to spend a larger sum, and suggested that the vote should be £5,000. The honorable senator has not even a remote idea of the great increase of the work at the post office in Cairns. It is a station from which mails are distributed to various parts of the State, and, having carefully considered the whole question, I wrote a minute recommending my colleague, the Minister of Home Affairs, to so increase the proposed vote as to enable accommodation to be provided in excess of that shown in the plans then prepared. I strongly urged upon him the necessity of doing this if the requirements of the future were to be considered. He pointed out that the building was so constructed that additions could be made to it without considerable expense, and that before enlarging it further it would be better to wait until the demand for space

again overtook the accommodation. Cairns is a growing township, and the amount of work done at the post-office there is exceedingly large. Personally, I should like to see £5,000 spent on the new post-office.

Senator CLEMONS. — What is the total amount to be expended?

Senator PLAYFORD. — The actual contract price for the building is £3,609, and unless there are extras that sum will not be exceeded.

Senator GIVENS (Queensland) [10.36]. — What Senator Clemons does not know about Cairns and its requirements would fill a large library, and the task of supplying his deficiencies would be so colossal that I do not propose to undertake it at this hour of the evening. In my opinion, the proposed new post-office will not be adequate for the work to be transacted there. The plans have already had to be altered in order to provide for a larger number of private letter-boxes, there being now over 200 of these rented. The Cairns post-office is one of the most important distributing offices in Queensland, mail matter being made up there for a large area of country inland and as far as the Gulf and Burketown. There is a fair-sized mail room, but it is totally inadequate for the work which has to be done there.

Senator CLEMONS. — What was the value of the old post-office?

Senator GIVENS. — It was built twenty-two or twenty-three years ago, since which time a number of gunyahs and lean-to's have been added, making it a conglomerate structure, without any definite character. The Department propose to replace it with a one-storied building, shifting to the rear a structure which was erected twenty-three years ago, to be used there as the residence of the post-master. That, in my opinion, is a mistake. A new two-storied building should have been erected, to provide quarters for the postmaster in the upper story. There is not a village or township in Tasmania with half the population of Cairns which does not possess a better and more expensive post-office, and there are places in Queensland with a population one-half or one-third that of Cairns which are better off. Stanthorpe, for instance, has a post-office which cost the State Government £7,500, and its population is only one-third that of Cairns. Then in Victoria there are places with a population only one-fourth that of Cairns, possessing post-offices on which more

money has been spent. Senator Clemons has not objected to other post-offices.

Senator CLEMONS. — Yes, I have. I objected to the Warracknabeal post-office last year.

Senator FINDLEY. — What is the population of Cairns?

Senator GIVENS. — The white population of Cairns is about 5,000, and there are over 20,000 white persons in the district. When the coloured labour there now has been deported, the white population will increase rapidly. The mining districts at the back of Cairns which are served by this post-office are increasing in population enormously, and within the next ten years the accommodation will have to be doubled to make it adequate.

Senator STORY (South Australia) [10.41]. — I notice that in South Australia it is proposed to spend £1,787 on sundry post-offices, £1,580 on the Mount Gambier post-office, and £18 on the Kingscote post-office. Why is the proposed expenditure on the Kingscote post-office set out as a separate item?

Senator PLAYFORD (South Australia—Minister of Defence) [10.42]. — Of the £1,787 set down for sundry offices, £803 is a re-vote to cover the cost of additions already authorized, while £984 is asked for to provide for additions and alterations to post-offices at Port Broughton, Elliston, Port Elliot, the General Post-Office, and small additions at sundry other places. The Mount Gambier post-office is in progress, and the £18 asked for in connexion with the Kingscote post-office is a re-vote to cover a small payment which was not made before the end of the financial year.

Senator DOBSON (Tasmania) [10.43]. — I notice that in Western Australia re-votes are asked for in connexion with no fewer than eight post-offices, in regard to six of which no new appropriation is proposed. Possibly contracts may have been entered into; but the fact seems to me to show that what has been proposed there is a little in excess of requirements.

Senator PLAYFORD (South Australia—Minister of Defence) [10.44]. — The work at the Derby post-office has been authorized, but there has been some trouble about getting a site. At East Perth the work has been authorized, but the question of site is involving delay. At Fimiston and Fitzroy works are in progress. At Fremantle works have been authorized, and it was expected a month or two ago that the

contract would be let in a week. At Laver-ton the contract is in progress. At Prin-cess Royal there has been trouble in con-nexion with the site, and £267 is a re-vote to pay for sites the purchase of which has already been authorized.

Senator CLEMONS (Tasmania) [10.45].—I trust that progress will be reported now. There are several large items in this division which it is incumbent upon us to consider seriously if we are to do our duty. I may refer especially to the item for the trunk telephone line between Mel-bourne and Sydney, and that for wireless telegraphy.

Senator FINDLEY (Victoria) [10.46].—I also should like to have an adjournment at this stage. I shall have something to say with regard to the vote of £1,500 for the purchase of machinery and plant at the Government Printing Office. It is too im-portant a matter to be discussed properly at a late hour.

Progress reported.

Senate adjourned at 10.47 p.m.

House of Representatives.

Tuesday, 4 September, 1906.

Mr. SPEAKER took the chair at 2.30 p.m., and read prayers.

FEDERAL CAPITAL.

Mr. JOHNSON.—I wish to know from the Prime Minister if he will afford the House an opportunity to deal with the Federal Capital question before the close of the session?

Mr. DEAKIN.—If possible; but within the last two days a request has come from certain honorable members, asking for an opportunity to visit another site.

Mr. BRUCE SMITH.—Is that site Albury?

Mr. DEAKIN.—No, Tooma. I under-stand that an invitation is coming from Albury. The request to which I refer is being considered; but if we wait until the advocates of all the eminently admirable sites have been satisfied, the inquiry will, I fear, have been too prolonged to allow us to settle the question this session.

TARIFF PROPOSALS.

Mr. KELLY.—In view of the declared urgency of the Government's preferential trade proposals, will the Prime Minister

make available to honorable members, with-out delay, all information, within reason, of an authoritative character bearing on them? I understand that they are to be debated to-morrow.

Mr. DEAKIN.—I doubt if the table of the House would bear all the information obtainable on the subject, but the statistical and other information necessary to throw light on our proposals is being prepared, and will be made available as soon as pos-sible.

Mr. JOSEPH COOK.—I am surprised to hear that the preferential trade proposals are to be debated to-morrow. I under-stood that the Tariff alterations were to be considered then. Will the Prime Minister indicate definitely the course of business, so that we may come prepared to deal with the question put before us?

Mr. DEAKIN.—We shall to-night dis-pose of as many of the measures on the paper as we can deal with, and to-morrow the first subject for discussion will be the proposals of the Tariff Commission in re-gard to agricultural implements. When that subject has been dealt with, the New Zealand treaty, and the preferential pro-posals, will follow. That, I think, will be more than enough to occupy us this evening.

Mr. FULLER.—Does the Prime Minis-ter intend to deal also with the Tariff Com-mission's report on harvesters?

Mr. DEAKIN.—Yes. Those proposals are included in the term "agricultural im-plements."

VICTORIA BARRACKS, SYDNEY.

Mr. KELLY asked the Minister of Home Affairs, *upon notice*—

1. Was not the Home Affairs Department pre-pared, in January, 1905, to arrange to re-vest in the State of New South Wales such por-tions of the Victoria Barracks, Paddington, as were not necessary to be retained in the interests of the Defence Department?

2. Were not the papers in connexion with the proposed exchange of the Victoria Barracks, Sydney, for another site minuted by the then Minister as follows, in January, 1905:—"It could be arranged to re-vest in the State of New South Wales a strip along Oxford-street of sufficient depth for shops; reserving, of course, sufficient entrances from Oxford-street"?

3. Was not the member for the district in-formed accordingly, by direction of the Minis-ter?

4. The Departmental decision having thus, through the usual channel, been communicated to the Paddington Council, did the Department not regard the published Ministerial decision as an undertaking?

5. If not, why was the said decision made public by the Department?

6. Is the Department now in a position to take the course decided upon in January, 1905?

7. If not, why?

Mr. GROOM.—The answers to the honorable member's questions are as follow:—

1. Yes, but subsequent to the date mentioned.

2. Yes, by the Minister of Defence, but this opinion was subsequently varied.

3. Yes, by the Department of Defence.

4. No.

5. A copy of the minute was forwarded to the honorable member for his information.

6 and 7. The Department of Defence has made a second report confirming the decision arrived at, June, 1905, that it is undesirable to return to the State the Oxford-street frontage.

CONSTITUTION ALTERATION (SPECIAL DUTIES) BILL.

SECOND READING.

Mr. DEAKIN (Ballarat—Minister of External Affairs) [2.41].—I move—

That the Bill be now read a second time.

There are three measures on the paper termed, for technical reasons, alterations of the Constitution, though it is doubtful if any of them really deserves that serious title. The only proposed alteration which would have immediate effect, if agreed to by Parliament and approved by the voters at a referendum at the next election, provides that the date at which senators shall commence their term of office shall be altered by six months, in order to permit, under normal conditions, the election of members to both Houses to be held in the autumn instead of, as now, in the spring. The second may be termed an enabling alteration. If it were approved, a future Parliament would have power to pass an Act for the taking over by the Commonwealth of the whole of the debts incurred by the States up to the present time, whereas now we can take over only such debts as were incurred prior to Federation. The Bill of which I have moved the second reading also provides for an enabling alteration. Hitherto the Commonwealth has walked in financial fetters, which were deemed necessary prior to the complete union and fusion of interests to which we are still looking forward, the chief restriction being that imposed by section 87 of the Constitution, generally referred to as the "Braddon blot." The terms of that section are that—

During a period of ten years after the establishment of the Commonwealth—

That is, until the end of 1910—

and thereafter until Parliament otherwise provides, of the net revenue of the Commonwealth from duties of Customs and of Excise, not more than one-fourth shall be applied annually by the Commonwealth towards its expenditure. The balance shall, in accordance with this Constitution, be paid to the several States.

While that section has force, only one-fourth of the revenue raised from duties of Customs and Excise is at the disposal of the Commonwealth, the remaining three-fourths having to be distributed among the States. But if this proposed alteration is agreed to by Parliament, and sanctioned by the people, our next Parliament may impose what are termed in the Bill "Special duties of Customs." These duties would be special in the sense that they would be imposed for a particular purpose. Should the proposed alteration be sanctioned, and should the next Parliament think fit to take advantage of it, special duties of Customs and Excise may be imposed, the whole of the revenue from which could be devoted by the Commonwealth to any special purpose.

Mr. WILKINSON.—Could not the whole of the Excise and Customs duties be regarded as special?

Mr. DEAKIN.—The proposal is to leave the existing duties as they stand.

Mr. JOSEPH COOK.—But it will be possible to reduce them, and to substitute special duties.

Mr. DEAKIN.—It has always been, still is, and always will be, possible to reduce duties. In the memorandum submitted by the Treasurer, he pointed out that under the Constitution, for every £1,000,000 required by the Commonwealth, £4,000,000 has to be raised, and that if any sum is wanted for old-age pensions, defence, immigration, or other specific purpose, Customs and Excise duties must be imposed returning four times the amount to be used. It is part of the scheme of the Treasurer that these special duties should be levied after 1910. As he terms it, they will be "ear-marked" for special purposes. Under his proposal no alteration of the Constitution would be required, because at the termination of the next Parliament, presuming it to exist for the full term of three years, section 87 of the Constitution will have ceased to operate, and Parliament will be able to make any provision it pleases in this regard. Consequently, the whole effect

power upon the Commonwealth. Parliament will possess after 1910. The present proposal would not be submitted if in the judgment of the Ministry circumstances did not justify them in asking that the power to which I have referred should be conferred upon the next Parliament as soon as possible. We specially have in view the necessity of establishing upon a Federal basis old-age pensions such as are provided for at present in only two of the States.

Mr. GLYNN.—The Treasurer stated that he did not want to levy special duties for special purposes until 1910. Why does the Prime Minister now propose a change?

Mr. DEAKIN.—The Treasurer was speaking only with regard to our general revenue and expenditure for the year, and not in reference to the old-age pension scheme. The proposal for old-age pensions is several years old, but the scheme of my honorable colleague necessarily dealt with the ordinary finances of the year apart from any such change as is now proposed, which can only come into force if approved by the people, and, at the earliest, in our next financial year. A change of this kind indirectly affects the present method of making payments to the States. In this instance, our course is clear, because the matter has already been fully considered and welcomed by those from whom, perhaps, opposition had been apprehended. The attitude of this Parliament with regard to old-age pensions was indicated by the appointment of a Royal Commission, whose first and second recommendations were as follows:—

1. That old-age pensions should be provided throughout the Commonwealth, and be paid out of the Consolidated Revenue.

2. That a Bill for this purpose should be submitted by Your Excellency's Advisers for the early consideration of Parliament.

Mr. FRAZER.—The Commission were opposed to the ear-marking of special duties.

Mr. DEAKIN.—I shall deal with that matter presently. The first recommendation refers to paragraph 16, to which I am about to allude. The Commission declined to commit itself to any particular proposals that were made for raising revenue, but concluded by saying—

Your Commissioners recommend that, during the operation of section 8- of the Constitution, which provides for the return by the Common-

wealth with the several States by which sufficient money should be handed over to the Commonwealth for the purpose of making good any deficiency in the Consolidated Revenue caused by the establishment of an old-age pension system.

The Commission, without limiting itself in any way, or favouring one tax more than another, proposed that the States should be asked to make concessions which would enable this Parliament to deal with the old-age pension question. That very proposal had already been elaborately considered at the Hobart Conference, at which the right honorable member for Balaclava entered into this question very fully, and, in my opinion, settled one important preliminary. When we are proposing to alter section 8- of the Constitution, the question naturally arises whether the change would be likely to affect the States Treasuries. The right honorable member for Balaclava told the members of the Hobart Conference, in so many words, that if, for instance, duties were imposed upon tea and kerosene, none of the States Treasurers would be affected. He said—

They do not get the money now, and there is no hope of getting it in the future.

He told them, and they assented to his statement, that the first important consideration in this regard was that, so far as the Federal Parliament had expressed its will, it had decided not to impose these or any other revenue duties as part of the ordinary Tariff, under which only one-fourth of the revenue would be retained by the central Government, and the remaining three-fourths distributed amongst the States. As long ago as the beginning of last year, the right honorable gentleman recognised that it was impossible to look forward to any amendment of the Tariff in that direction, and I do not think that his opinion has ever been disputed, or that it is likely to be successfully controverted. Under these circumstances, it is plain that, practically, the States will not be placed in any worse position than at present if new duties are devoted to special purposes in the manner indicated. At the Hobart Conference the suggestion which the Old-age Pensions Commission repeated was made by the then Prime Minister, the right honorable member for East Sydney. At page 91 of the report of the

1. Are you in favour of a national system being prepared to give us the help necessary, and allow us to keep the money out of the three-fourths of the Customs taxation? or

2. Are you disposed to consider the imposition of special Customs duties on special articles, so as to provide the required fund, and that the proceeds of the special duties should be given to the Commonwealth for that special purpose?

A debate ensued, which extended over pages 93 and 94 of the report, and was resumed at page 109. The final result is given at page 110, when the then Prime Minister again put the question—

Do the members of the Conference say that if we put on such duties as tea and kerosene duties for the purpose of finding money for a national scheme of old-age pensions, they will, so far as the present members of the Government are concerned, facilitate that by passing such Acts as are necessary to enable us to retain the whole of such duties for that purpose?

That is, for old-age pensions. I should have mentioned that at page 93 the Prime Minister pointed out—

Acts would have to be passed in the State Parliaments authorizing the payment to the Federal Government of certain moneys.

Therefore, he put to the assembled Premiers the very proposal which was afterwards adopted by the Old-Age Pensions Commission; that is to say, that each of the States should pass an Act agreeing to the appropriation of certain revenue for the special purpose of providing old-age pensions. When a division was taken, he representatives of three States voted for the proposal, whilst the representatives of three other States opposed it. The Premiers of New South Wales, Victoria, and Western Australia voted aye, whilst the Premiers of Queensland, South Australia, and Tasmania voted no. The question was again revived in the most clear and explicit manner at the Sydney Conference, at which I had the honour of being present. Personally, the Premier of New South Wales expressed himself at page 27 of the report of the proceedings as being very strongly in favour of the proposal, and he quoted a letter from the then Premier of Western Australia, Mr. Rason, who intimated that he wished—

to see associated with any system of old-age pensions established by the Commonwealth authorities a provision, made by them, to raise a portion of the cost by means of duty on kerosene, tea, or other articles of universal use.

extends from pages 27 to 34, and it will thus be seen that it was very fully debated. I think that it will be sufficient for me to read some of the remarks which were made by the Premiers when they were summing up their conclusions. The report at page 34 is as follows:—

Mr. ASHTON.—Then, ought we not to say that, if a Federal old-age pension scheme is instituted, the revenue necessary to meet the cost should be raised by new taxation?

Mr. PEAKE.—Yes; that is practically Mr. Kidston's view, and we agree with it. We do not dictate to them on what it shall be raised.

The PRESIDENT.—All except Tasmania are agreed that the question of old-age pensions should be taken up as a Federal matter, with the proviso attached that the Federal Government should, in any scheme of old-age pensions, provide the revenue by additional taxation for that purpose, not to meet the whole of the cost, but to go towards the cost.

Mr. KIDSTON.—We are all agreed that it is incumbent on the Federal Government, if it adopts an old-age pension scheme, to provide the revenue required to finance it without trenching on the Customs revenue now returned to the States. We can stop at that if you like, but we can go a little further, and express our willingness to agree with the proposal made by the Federal Government at Hobart—that they should impose new Customs duties for the purpose of raising revenue for an old-age pensions scheme.

Mr. PEAKE.—We will not agree to tell them how they shall raise it.

Mr. EVANS.—So far as my opposition to the Commonwealth Government adopting an old-age pension scheme is concerned, I desire to say that it is wholly for the reason that, as regards Tasmania, the time is not opportune, but I am not against a Federal old-age pension scheme at the right time.

Motion, by Mr. Kidston, agreed to—

That it is incumbent on the Federal Government, if it adopts an old-age pension scheme to provide the revenue required to finance it, without trenching upon the Customs revenue now returned to the States.

Mr. GLYNN.—That was their chief anxiety.

Mr. DEAKIN.—Yes; that was carried without any opposition except such as was expressed by Mr. Evans in the terms I have quoted. The representatives of five of the States entirely indorsed the proposal.

Mr. McCAY.—The resolution was a little ambiguous.

Mr. DEAKIN.—It was; and attention was directed to it at a later stage. As stated, the proposal was indorsed by five of the States, whilst the representative of the sixth State gave it his qualified adhesion, holding the view that it was inopportune. I had the pleasure of again meeting the Premiers, and

discussing the matter with them. I quote from pages 128 and 129, as follows:—

Mr. KIDSTON.—We might add to that resolution, so as to make it clear, the words, "In the event of special Customs duties being imposed for this purpose, the States will waive their claim to their three-fourths of those particular duties."

That was generally agreed to by all the Premiers as expressing the sense in which they wished their former resolution to be understood. At page 129, Mr. Kidston stated—

It is well to have it made clear that if the Federal Government adopt this method of raising revenue for old-age pensions, the States Governments are quite prepared to waive their claim to three-fourths of that special revenue.

They agreed that all that was required was to make their intention clear to me, and the president of the Conference stated that he was sure that I understood all about it. By reference to page 130, it will be found that as regards the general proposal of the Premiers in regard to the Braddon section, I said—

To that there is the one important amendment mentioned by Mr. Kidston—that a part of the Customs revenue specially dedicated to the purpose of old-age pensions would be, by consent, omitted from your proportion.

There was no doubt whatever that we were entirely in agreement as to what was to be done. The Premiers specifically said, "If you wish to impose fresh Customs or Excise duties for the purpose of establishing a system of Federal old-age pensions, we will agree that you should be authorized to devote the whole of the sum raised from those duties to that object."

Mr. JOSEPH COOK.—That was, no doubt, very kind of them.

Mr. DEAKIN.—It was kind of them, as the honorable member says, especially of New South Wales and Victoria. Those States are at present paying old-age pensions, while the other States only make various minor provisions towards the same end—provisions which are referred to in the report of the Old-Age Pensions Commission. New South Wales and Victoria annually set aside from their revenue a sum aggregating about £700,000 with which to pay old-age pensions. Under the operation of this proposal, that portion of their ~~revenue~~ would be set free, and they would devote it to other purposes. I said that it was kind of the

States to agree to this proposal, I think it will be seen that in respect of New South Wales and Victoria it was also judicious. It was not a freak of unbounded generosity, but represented a considered course.

Mr. McCAY.—This Bill goes further than that.

Mr. DEAKIN.—I do not think so.

Mr. McCAY.—It does not limit the purposes to which the special duties may be devoted.

Mr. DEAKIN.—I am coming to that point. In the first place, it must be noted that the States lose nothing by agreeing to the imposition of special duties, and in the second, that the subject has twice been thrashed out elaborately at conferences. The States' Premiers themselves deliberately set aside the proposal submitted to them at the Hobart Conference, which was repeated by the Old-Age Pensions Commission, that six separate State Acts should be passed in order to endow this Parliament—prior to the expiration of the ten years during which its control of the Customs and Excise revenue is limited—with the power which is now being sought. But this particular proposal, so far as it relates to the application of any sum raised by means of special duties to the payment of old-age pensions, has received the sanction of the whole of the States' Premiers, after having been twice considered by them, only one Premier qualifying his assent to it, by saying that he thought the present time inopportune, because of local financial considerations.

Mr. GLYNN.—The discussion originated in a suggestion that the duties upon tea and kerosene would eventually provide ample funds for the payment of old-age pensions without specially ear-marking any duties for that purpose.

Mr. DEAKIN.—It is also to be noted that the States Premiers differed amongst themselves as to the particular duties which should be imposed, and as to whether they should constitute the whole or only a part of the sum required for the payment of old-age pensions. They did not enter into the consideration of that question, and neither need we. In an amendment of the Constitution of this character, I think that the power which will undoubtedly belong to any Commonwealth Parliament elected after 1910, ought to belong to the next Parliament, which will be returned before 1910.

Mr. WILKS.—Half the members who will comprise the Senate in 1910 will be elected at the forthcoming general election.

Mr. DEAKIN.—In this Bill to be remitted to the people now, we should, in my opinion, adopt the form of the present Constitution. After 1910 it is quite competent for this Parliament, without any alteration of the Constitution, and simply by a Commonwealth Act, to impose special duties of Customs and Excise, and to reserve to itself, for any reason, the whole of the proceeds derived from those duties. Therefore, it seems to me undesirable that in this Bill we should limit the purposes to which special duties may be applied.

Mr. JOSEPH COOK.—Or, after 1910, give effect to a scheme like this without the imposition of any special duties?

Mr. DEAKIN.—Exactly. It could also be done out of our existing revenue from existing duties, and it would represent an even stronger step. It seems unwise to embody in the Constitution a limitation of the application of the sums raised from special duties of Customs and Excise to the payment of old-age pensions alone, although I freely admit that, so far as this Government is concerned, the object we have in view is the establishment of an old-age pensions scheme, and no other. If it were our duty to act under the proposed amendment of the Constitution—assuming that the people accept it—we should devote the funds derived from the special duties imposed to the payment of old-age pensions. But it seems to me that whilst that is a proper statement to make Ministerially, we should not seek to impose the policy of the present Government, or of the present Parliament, upon the next Parliament. Instead, we should leave the next Parliament free under a general constitutional authority to give effect to whatever instructions it may receive from the electors. The proposed amendment of the Constitution will be submitted to the people, and must be assented to by them before anything can be done by the next Parliament. The electors at the time they authorize, or refuse to authorize, the proposed alteration of our Constitution will—assuming that they sanction that alteration—necessarily instruct their representatives as to the purposes to which the receipts from any special duties imposed shall be devoted. That is a question for the next Parliament only, as

I hope I have succeeded in making clear without the necessity for further repetition. We have the power, without an amendment of the Constitution, to devote the revenue derived from special duties to any purpose that we may choose after the next Parliament, and, therefore, it seems to me undesirable that we should embody in the Constitution a limitation which ought not to exist after 1910.

Mr. HUTCHISON.—What will be the attitude of the Government towards the payment of old-age pensions if the electors refuse to give them the power which they now seek?

Mr. DEAKIN.—If the electors refuse to give us that power at the next election, it will not be possible to propose in the next Parliament a scheme for the payment of old-age pensions without having resort to taxation of a direct character, and, upon a scale which—so far as I am aware—nobody has yet contemplated. I do not wish, however, to enter into a consideration of details, because, although the proposals of the Ministry, and the instructions which the electors will give to their representatives at the next election will relate to old-age pensions, it is possible that later Parliaments may entertain other views. Therefore, I do not enter into the consideration of the details reported upon by the Old-age Pensions Commission, nor into the sum required for the payment of old-age pensions, nor the means by which it might be raised. All these are matters to be proposed Ministerially to the electors, and to be dealt with by the next Parliament according to its own judgment.

Mr. JOHNSON.—Does the Prime Minister think that the average elector will be able to grasp the significance of all the proposals upon which he is to be asked to vote?

Mr. DEAKIN.—There are only three. The elector will be asked whether he thinks that the general elections should be held late in the calendar year—about November or December—or towards the middle of the year—in the autumn. There is no man so simple that he cannot give an answer to that question. He will also be asked whether he favours an alteration of the Constitution empowering this Parliament to take over all the debts incurred by the States since the establishment of the Federation in 1901? That involves a number of complex issues, which, however, need not trouble the

elector, inasmuch as all parties and all representatives, so far as I am aware, have agreed that whatever scheme may be adopted for the taking over of the debts of the States, it is desirable that the whole of them should be dealt with together. There is unanimity upon that question, and consequently the elector will not have any doubt as to how he ought to act. In regard to the proposed amendment of the Constitution which is immediately under discussion, the Ministry will suggest that it ought to be accepted.

Mr. WILKS.—Will a bare majority suffice to secure an amendment of the Constitution?

Mr. DEAKIN.—Does the honorable member refer to a majority of this Parliament, or of the electors?

Mr. WILKS.—I was referring to the electors.

Mr. DEAKIN.—To effect an amendment of the Constitution it is necessary to obtain the assent of the majority of the whole of our electors, if they include majorities in a majority of the States.

Mr. BAMFORD.—In connexion with the proposal to hold the general elections later in the year, what is there to indicate to the elector that the proposed alteration of the Constitution will involve an extension of the period for which members of the next Parliament will be elected?

Mr. DEAKIN.—I think it will be made clear. If the honorable member will consult the Referendum Bill he will see that it is intended to submit every question in a simple and direct form to which the answer will be "Yes" or "No." I do not wish to detain honorable members, because, although there is a great deal more to be said in reference to this proposal, in itself it is very simple. Those who think that during the next Parliament we should not deal with the question of old-age pensions unless we deal with it by some form of direct taxation alone, will naturally oppose this Bill. But I do not think that any other section of the House need oppose it, because all that it asks is that the power of the next Parliament shall be extended in this particular. The same people who will say whether the power of imposing special duties for the payment of old-age pensions shall be granted to the next Parliament, will also instruct their representatives as to the manner in which they desire the funds to be provided. This Parliament will surely not refuse to take

the necessary step to enable its successor to deal with the question of old-age pensions unfettered by those temporary ties which at present render us incapable of dealing with it? They will not refuse to ask the electors to say whether they are satisfied to endow the next Parliament with authority to place old-age pensions in Australia upon a Federal basis. Even after they have given their consent to the proposed extension of the powers of the next Parliament—they will not in any way have weakened or diminished the control they exercise over their representatives. The new Parliament can then come back equipped with the means of sweeping away the present disabilities and disadvantages which are suffered by the elderly and impoverished in certain States of Australia. They can all be placed upon the same footing, and receive equal consideration. Another strong Federal bond will be created by a practical recognition of Australian citizenship. It must always number some who in their last years find themselves unequal to the tasks of active life. Under these special circumstances they may receive, not as a dole, but as an act of equity on the part of the community to which they belong, sufficient to place them above the reach of that absolute want which deteriorates young and old, but falls with specially bitter and numbing power upon men and women who having spent their strength, seek to sink honorably into the grave. I trust that considerations of this Federal character will weigh with honorable members, and that they will see fit to expedite the passage of this Bill to another place. Let us put old-age pensions upon a Federal basis by allowing whatever sum the next Parliament may think necessary for their payment to be derived from special duties, the whole of the receipts from which will be dedicated to that beneficent object.

Mr. JOSEPH COOK (Parramatta) [3.14].—I wish to ask the Prime Minister whether he will consent to an adjournment of the debate?

Mr. DEAKIN.—I must do so if the honorable member asks for it.

Mr. JOSEPH COOK.—While the Bill itself is simple enough, the statement which the Prime Minister has made of the intentions of the Government underlying its introduction, have added a matter of grave import to its mere verbiage.

make it, although it belongs really to the elections.

Mr. JOSEPH COOK. — Quite so; but I am glad that the honorable and learned gentleman did make the remarks in question. I move—

That the debate be now adjourned.

Motion agreed to; debate adjourned.

PREFERENTIAL BALLOT BILL.

In Committee (Consideration resumed from 31st August, *vide* page 3802):

Clause 1—

1. This Act may be cited as the Preferential Ballot Act 1906, and the Principal Act as amended by this Act may be cited as the Commonwealth Electoral Act 1902-1906.

2. "The Principal Act" means the Commonwealth Electoral Act 1902 as amended by the Electoral Divisions Act 1903 and by the Commonwealth Electoral Act 1905.

Mr. FRAZER (Kalgoorlie) [3.16]. — Having carefully considered this so-called Preferential Ballot Bill, I certainly am not satisfied that it will carry out the professed intention of the Government. It is claimed that it provides for majority rule, a claim with which I do not agree, and in order that that object may be achieved, I move—

That after the word "the," line 1, the word "Compulsory" be inserted, and that after the figures "1906," line 2, the words "and shall apply to the Senate and the House of Representatives," be inserted.

The Government desire, under this Bill, to provide for majority rule, they have certainly adopted a most ineffective and complicated method of securing that result. In my mind, unless it be amended in the direction I propose, it will not bring about majority rule. I favour a scientific method of voting that will enable the will of the people to be clearly expressed.

I am confident that the proposal of this Bill shall apply only to elections for the House of Representatives, that the system of preferential voting which it embodies shall be optional, will help us in that direction.

Mr. KELLY.—If the medicine is good for the one House, it is good for the other.

Mr. FRAZER.—Yes. In moving that the Bill be read a second time, the Minister of Home Affairs pointed out that some members of this House represented minority interests. It certainly cannot be claimed that the Senate does not furnish us with more examples. At the last elections

candidates polled about 375,000 votes, whilst nearly 700,000 votes were recorded against them. Equally glaring instances of minority votes are furnished by the returns relating to the Senate elections in the other States. In these circumstances, if we are to have a Parliament representing majority rule, we should make this preferential voting system compulsory, and apply it to both branches of the Legislature.

Mr. WATSON.—How would the honorable member apply it to an election for the Senate, with perhaps twenty candidates, and only three to be returned?

Mr. FRAZER.—A truly scientific method of securing equitable representation has not yet been devised, and I favour the postponement of the consideration of this measure, in order that we may see whether time will afford us a satisfactory solution of the problem. If, as pointed out by the honorable member for Bland, there is a difficulty in applying this system to the Senate, the same difficulty exists, although in a lesser degree, in respect of its application to elections to the House of Representatives. The honorable member does not claim that the system of preferential voting adopted at the first Federal elections in Tasmania was an entire failure?

Mr. WATSON.—No; but I did not know that the honorable member favoured that system.

Mr. FRAZER.—It is certainly different from that provided in this Bill, and it does not secure equitable representation. I claim that the experience of Tasmania shows that it is not satisfactory, and that according to the representatives of Queensland the system embodied in this Bill, which has been tried in that State, has proved equally unsatisfactory. I hope, therefore, that the Committee will agree to my amendment.

The CHAIRMAN.—I would point out to the honorable member that his proposal really embodies two amendments. I shall therefore first put to the Committee his amendment that after the word "the," line 1, the word "compulsory" be inserted. If that amendment be carried, it will then be open to the honorable member to move the further one that he has indicated.

Mr. FRAZER.—Unless there are serious difficulties in the way, I should like the amendment to be put in the form proposed by me, since there may be some honorable

members who, whilst not prepared to make the system compulsory, if it be applied only to the House of Representatives, may be quite ready to agree to a compulsory system applying to both branches of the Legislature.

The CHAIRMAN.—It would not be proper for me to put at the one time the two amendments. If I were to put the second one, any honorable member who desired to move a prior amendment would be unable to do so.

Amendment (by Mr. FRAZER) proposed—

That after the word "the," line 1, the word "Compulsory" be inserted.

Mr. HUTCHISON (Hindmarsh) [3.27].—I am opposed both to the clause as it stands, and as proposed to be amended by the honorable member for Kalgoorlie. I think it would be better to take a test vote to determine whether the Committee is in favour of the preferential system for which the Bill makes provision, and I, therefore, intend to move that the word "preferential" be struck out. The returns for the last general election show that only in Victoria and Queensland did a majority of the electors record their votes at the elections for the Senate, the percentages being:—Victoria, 51.18; Queensland, 54.83; South Australia, 32.65; and Western Australia, 28.35. A slightly higher vote was polled for the House of Representatives, but even in that case Victoria and Queensland were the only States in which a majority of the electors recorded their votes. In Victoria the percentage was 53.83, and in Queensland 57.03, Western Australia again being the lowest on the list. How can honorable members be returned by an absolute majority when the majority of the electors do not take the trouble to record their votes, and when we have a number of candidates in each electorate splitting the votes? Under the system proposed by the Government, we shall still have honorable members representing minority votes. I certainly am not in favour of the proposal that this system shall be compulsory. Surely honorable members of the Labour Party realize that we have arrived at a stage when both the other parties in the House are opposed to us. The Labour Party has to fight unaided. Under this system we should find the free-trader preferring to give his second vote to a protectionist candidate rather than to a labour candidate, and the protectionist voting for

the free-trade candidate rather than for the nominee of our party.

Mr. FRAZER.—I do not dispute that.

Mr. HUTCHISON.—Then, the honorable member is proposing to make it compulsory for supporters of the Labour Party to give a second vote to candidates nominated by the other parties.

Mr. FRAZER.—I am opposed to placing on the statute-book legislation which the people may or may not use.

Mr. HUTCHISON.—I have stated that I am in favour of compulsory voting. If voting were made compulsory, we should secure an expression of the will of the majority, and if, in addition, we had preferential voting, that would be doubly certain. I hope that the honorable member for Kalgoorlie will vote for my proposal, because he agrees with me that, if a preferential vote is cast, it will be cast against labour candidates, as probably the majority of both free-trade and protectionist supporters will be anti-Socialists. It would save time if we took a test vote on the proposal to strike out the word "preferential."

Mr. GROOM (Darling Downs—Minister of Home Affairs) [3.32].—I should prefer a straight out vote, such as that suggested by the honorable member for Hindmarsh. I understand that the object of the honorable member for Kalgoorlie is practically the same as that of the honorable member for Hindmarsh, and therefore I hope that he will withdraw his amendment, to allow the question to be tested fairly. He wishes to provide for compulsory voting, but I ask him to leave the provision as it stands. The honorable member for Hindmarsh has pointed out that electors may object to the compulsory principle.

Mr. McCAY.—If preferential voting is right, should it not be made compulsory?

Mr. GROOM.—The electors should be at liberty to vote as their consciences dictate. The Bill has been introduced because of the unsatisfactory results which sometimes follow the existing method of voting, by which the successful candidate is returned on a minority vote.

Mr. McCAY.—The system provided for in the Bill does not make it certain that the person returned is the choice of a majority of the electors.

Mr. GROOM.—The Bill enables every elector who exercises the franchise to take part in the final selection, and provides the only known practical scheme which will allow that to be done.

Mr. McCAY.—It will not secure majority rule.

Mr. GROOM.—If a majority of the electors exercise the franchise, the final selection will be made by a majority.

Mr. McLEAN.—No.

Mr. GROOM.—Of course, if a majority of those on the roll refrain from voting, the selection must in any case be made by a minority. The only way to prevent that would be to compel all qualified to vote. That would be a large proposition to put before the country, though, no doubt, it would find favour with many. If voting were made compulsory, we should have also compulsory registration.

Mr. FRAZER.—Will the Minister agree to making voting compulsory?

Mr. GROOM.—I shall stand by the Bill. I wish for the adoption of a principle which will enable the majority of the electors to take part in the selection of their representative.

Mr. McCAY.—The Bill will not insure the return of the choice of the majority.

Mr. GROOM.—It will enable every elector who is qualified to vote to have a say in the final selection. The honorable and learned member mentioned the other day a mathematical process, which I do not think he himself would apply to an election.

Mr. McCAY.—I prefer the present system to that proposed in the Bill.

Mr. BAMFORD.—In how many electorates will there be more than two candidates?

Mr. GROOM.—I cannot say. The example given in the memorandum which has been circulated shows that the system provided for in the Bill will enable the majority to express its opinion, the principle being that of the exhaustive ballot. The alternative suggested, which has been much discussed, is the second ballot. Under the Queensland system of the contingent vote, all the candidates except the two placed first and second on the poll are rejected in the first count. It was suggested that we should apply the second ballot only in regard to the two candidates in that position; but we thought that, by rejecting at each stage only the candidate lowest on the poll, every elector would be able to express his choice in regard to each of the candidates in succession. The illustration supposes that at an election Smith polled 5,000 votes, Brown 3,500, Jones 3,400, and Robinson 2,100. In that instance the

electors would be taken to have declared against Robinson in the first instance, and he would be rejected.

Mr. McCAY.—The candidate receiving the lowest number of votes may be really the second choice of most of the electors.

Mr. GROOM.—If the principle of rejecting at each stage the candidate who had secured the lowest number of votes were adopted, the electors would have an opportunity to express their preference in regard to every candidate. This is the best practical scheme yet devised to enable electors to express their preference in the final selection, and I believe that it will have the desired result.

Mr. FRAZER.—If the system is such a good one, why should not the electors be compelled to make use of it?

Mr. GROOM.—Some electors may say, "If we cannot get our candidate in, we do not care who gets in." In no system where there is a second ballot are the electors compelled to vote twice. The second vote is optional. We are allowing everything to be done which can be done under the second ballot, and are providing a practical scheme. I appeal to the honorable member for Kalgoorlie to withdraw his amendment, so that the question may be fought out on its merits. We have all expressed our desire for majority rule. If there is a better practical method than that proposed, let it be put before the Committee; but until such a scheme is proposed I ask honorable members to stand by the Bill.

Mr. McCAY (Corinella) [3.45].—I take it that the intention of the Bill is that where there are more than two candidates that candidate shall be chosen who, in a series of single contests, would have beaten each of the others. Thus, if Smith, Brown, Jones, and Robinson were candidates, Brown would be chosen only if he should have beaten Smith, Jones, and Robinson in a series of single contests. Perhaps the Minister will tell me if I am right in saying that, although there might be a multiplicity of candidates, the final choice would rest upon the candidate who, in a contest between himself and each of the others, would have beaten each of the others? If that result would not be arrived at, the scheme proposed under the Bill would be of no use. A system of preferential voting, to be of any service, must secure the election of a candidate who would have beaten each of the others in a single contest. Otherwise, there can be no

real choice of the majority under the Government proposal, any more than under the existing system of election. I would show the Minister that in the very example he has given in the memorandum that has been circulated, the choice of the electors might fall upon the man who went out first. Suppose that the unfortunate Robinson, who obtained only 2,100 primary votes out of 14,000, happened to be the second choice of the other 11,900 electors. In the case of a choice between Smith and Robinson, the latter would be ahead upon more than half of the ballot-papers. In a choice between Robinson and Brown, or between Robinson and Jones, the former would also have a majority. Robinson would have a majority against Smith, because if he were the second choice of all the electors who had not made him their first choice, he would record 9,000 votes against Smith's 5,000. In a contest between Robinson and Brown, the former would have 10,500 votes against 3,500; and in a choice between Robinson and Jones, Robinson would have 10,600 votes, as against 3,400 votes. That is to say, Robinson would have all the votes except the first vote given to the other candidates.

Mr. GLYNN.—The honorable member is assuming a case that may never arise.

Mr. McCAY.—The difference between 9,000 votes and 5,000 votes gives a very wide margin. In the ordinary case there would be three candidates, and not four. I could easily make up a set of figures that would show that the man who goes out first is the more likely to be the choice of the majority than either of the candidates who are left in the contest.

Mr. GLYNN.—But would an election produce such figures as the honorable member assumes?

Mr. McCAY.—I pick my figures in the same way as the Minister has picked his. You can argue only on the basis of arbitrary figures. The system of throwing out the man who secures the smallest number of first votes has underlying it exactly the same principle as that which, under the present system, results in the election of the man who has the largest number of votes. Our present system is founded on the theory that the man who secures the largest number of votes is the choice of the majority, whereas under the proposed system it is assumed that the man who secures the lowest number of primary votes

is the least likely to be the choice of the majority.

Mr. GLYNN.—But the honorable member is not taking into account the probable results of an election under the system of voting according to the party ticket.

Mr. McCAY.—In connexion with that question, I would point out that the candidate selected by a strong party, and receiving 5,000 votes, would very likely be regarded as the most dangerous opponent, and would be placed at the bottom of the list on the ballot-papers used by electors belonging to other parties. Suppose, for instance, 14,000 votes were cast, and one candidate received 5,000 votes, another 4,800, and the third 4,200 votes. I contend that it is at least as probable that the man with 4,200 votes would have the majority of second preferences as that either of the two other candidates would do so. The two candidates with the larger number of votes would represent the two stronger parties, the members of which would most likely give their second preferences to the man whom they regarded as the weaker of their opponents. The electors do not give their second preferences to the man whom they prefer next to the candidate to whom they give their primary votes, but to the man whom they fear least. They give only their last vote to the man whom they fear most. An elector casts his vote to what he conceives to be the best advantage of the candidate whom he most desires to see returned.

Mr. WILKS.—He looks round to see how he can best waste his second preference.

Mr. McCAY.—Exactly. Therefore, I venture to say that the probabilities are greatly in favour of the man with the least number of primary votes receiving the majority of second preferences. Consequently, he is the man who on the expression of preference of the majority ought to be selected, and yet, under the system proposed by the Government, he would be the first rejected. It is entirely wrong to suppose that the man with the smallest number of primary votes is the least likely to represent the preference of the majority. I contend that the new proposal is founded upon the same theory as that which underlies the present system of voting, and that if the present system is wrong the one now proposed is also wrong. The Minister asks us to

suggest any other practicable method which would prove more satisfactory. The difficulty is, however, that the practical methods are wrong in principle, whereas the methods which are right in principle are exceedingly difficult to put into practice. I referred, on a previous occasion, to the only theoretically correct system that I know of. I have never gone back upon the view I have previously expressed, that I would not care to be the returning officer who would be called upon to count the votes under the average system, because that would be a shockingly long and tedious task. But I contend that if we wish to adopt a perfect system, we should not allow such considerations to weigh with us. I have no love for any of these fancy systems; but if I am called upon to make a selection, I prefer the scheme which will be most consonant with theoretical accuracy. I should, however, support no such system of my own choice. I challenge the Minister to show that the system he proposes will insure the selection of the choice of the majority. I say that it does not.

Mr. KENNEDY.—If a system will not work out in practice, the theory underlying it cannot be sound.

Mr. McCAY.—On the contrary, a system may be quite sound in principle, but very inconvenient to carry into effect. The average system is perfectly sound in theory, provided that every elector honestly expresses his preference. I admit that that is a very important proviso. I do not for one moment say that it is dishonest for a man to keep back the candidate of whom he is most afraid.

Mr. GLYNN.—Can we reasonably assume that there will be no block voting?

Mr. McCAY.—No; the weakness of these fancy systems is that they regard the electors as a lot of counters—pink or purple, or black and white, or strawberry colour. But they are not like so many counters to be put into a barrel and counted out. I challenge the Minister to show that his system is correct in theory—to indicate the distinction between a system under which it is assumed that a man, because he has most of the first votes of the electors, is likely to be the choice of the majority, and one which assumes that a man is least likely to be the choice of the majority because he has the fewest number of first votes. Both the present system and the proposed scheme are founded

upon the same idea, and if one is wrong, both are wrong. I contended on a former occasion that, if it were necessary for us to adopt any fancy system of voting, we should select the average method. I do not like it, but of two evils would choose the lesser. It would involve difficulties.

Mr. GROOM.—So much so that it would be impracticable. How, for instance, could it be applied to the Senate?

Mr. McCAY.—It is not proposed in the Bill to apply the new system to the Senate elections. The principle of the measure is utterly different from that of proportional voting. Under the system of proportional voting, the minority as well as the majority are supposed to be represented, and that principle could not be applied to single electorates. The object of the preferential voting system, as proposed, is to insure that the majority candidates, and no others, shall be chosen. May I ask the Minister if I am right?

Mr. GROOM.—The object is to enable the majority to make their selections.

Mr. McCAY.—I do not know why the Minister should fence with the question. Does he say that the system of voting provided for in the Bill would insure the selection of the choice of the majority? If not, the Bill is worthless.

Mr. FISHER.—The measure would abolish minority representation altogether.

Mr. McCAY.—The object should be to insure that the selected candidate shall have an absolute majority as against each of the other candidates. If it is desired to insure majority rule, the system of voting should be carried out to the fullest possible extent. I know of many electors, however, who would strongly object to be compelled to vote for more than one candidate.

Mr. FISHER.—But we have made it compulsory upon the electors to vote for at least three Senators at an election.

Mr. McCAY.—I am perfectly aware of that, but still there are many electors who object to the system.

Mr. SALMON.—But the honorable and learned member does not disapprove of block voting?

Mr. McCAY.—I think that it is less objectionable than the alternative in the case of the Senate elections, because it is always possible for a party to run a full ticket of its own. If, however, preferential voting were made compulsory, the electors would be required, in many cases, to vote for men in whose political principles they did not

believe. On the other hand, if it is not made compulsory to exercise the preference the whole proposal is a farce. Compulsion is required to make it real, and compulsion is objectionable. That is my complaint against the proposal upon practical grounds, as contrasted with my opposition based upon the ground of mathematical calculation. As I have before stated, the proposed scheme rests upon the same theory as the present system, and is equally faulty. I pointed out that under the illustration embodied in this memorandum, Robinson might be the second choice of all the other electors, in which case he should be preferred to either Smith, Brown, or Jones. In other words, in a straight-out fight between Robinson and any of the other candidates, Robinson would be returned. Yet, under the Government proposals, he would be the first candidate rejected. I am aware that exactly the same objection may be urged against the existing system, but I submit that when it is proposed to make a change, the onus is upon those who advocate it to show that the new system is better than the old one. If we take another illustration in which one candidate receives 4,500 first votes, and another candidate only 4,200, I venture to say the probabilities are that the latter, who, under the system proposed by the Government would be the candidate rejected, would secure more second preferences than would the first candidate. Let us assume that there were three candidates for a constituency consisting of a free-trader, a protectionist, and a labour candidate. If the free-trader secured 5,000 first votes, the protectionist 4,800, and the labour candidate—who was also a protectionist—received only 4,200 first votes, I venture to say that the probability is that upon all the ballot-papers marked by protectionists, the labour candidate would be the second choice.

Mr. PAGE.—Not necessarily.

Mr. McCAY.—According to the honorable member's theory, upon all the ballot-papers marked by free-traders, the protectionist would be the second choice, instead of the labour candidate. In other words, the protectionist candidate would receive 9,800 votes as against 4,200 votes polled by the labour candidate—

Mr. PAGE.—That is the honorable and learned member's theory.

Mr. McCAY.—Where the votes are fairly equal, the candidate who obtains

the lowest number of first preferences is likely to secure the largest number of second preferences.

Mr. PAGE.—Why does the honorable and learned member want to insure the adoption of a system of preferential voting at all?

Mr. McCAY.—I do not want to see that system adopted. Under the Government proposals, the first candidate who would be rejected would probably be the real choice of the electors.

Mr. SALMON.—The honorable and learned member said that that was bound to be the case.

Mr. McCAY.—I did not. I said that the probabilities were that it would be the case.

Mr. SALMON.—The honorable and learned member said that it would be.

Mr. McCAY.—Upon the assumption that I am making, I said that it would be the case, and I maintain that the assumption which I am making is the most probable one. Of course, we cannot predict anything with certainty at election times, as the honorable member ought to know. Let us further assume that 14,000 votes are recorded by a constituency, and that 5,000 are cast in favour of the free-trade candidate, 4,800 in favour of the labour candidate, and 4,200 in favour of the protectionist candidate. In order to secure election, the protectionist candidate would require to get 2,801 second preferences, which would give him a total of 7,001 votes out of 14,000 votes. If he secured that number, he would be the real choice of the constituency.

Mr. KELLY.—According to the system proposed by the Government?

Mr. McCAY.—According to the theory that an absolute majority of the electors should be represented. He would require to get only 2,801 second preferences as against the votes cast in favour of both the other candidates, which, with his own 4,200 first votes, would give him an absolute majority. I maintain that the candidate who, upon the first votes, was third upon the poll would be likely to get those 2,801 second preferences, and, if he did so, he would be the absolute choice of the electors. But under the Government proposal, he would be the first candidate defeated. In other words, the system embodied in this Bill allows the representation of the electors to remain as big a lottery as it is under our present system. As

regards the alternative of the average system, I say—as I have said upon more than one occasion in this House—that it would involve an enormous amount of calculation, and that I should be very sorry to be the returning officer who had to make that calculation. But if the ideal of the Government be to insure the rule of the majority, that is the only method by which it can be attained. I do not like that system—I never did like it. I prefer the present system to that method. But if we are to adopt a proposal which, in theory, will give us majority representation, let us adopt the system which, mathematically speaking, will insure it. I contend, however, that the trouble and difficulty which would be experienced under any such system far outweigh its advantages. The only merit of the Government proposals are that they look as if they would insure majority rule, and that they would not be difficult in operation. But the present system is quite as likely to result in majority rule, and it is much more simple than is the scheme which is embodied in the Bill. I challenge the Government to show, by any means in their power, that the system which they propose is not open to the same objections as is the present system. I say that it is founded upon the same theory, and that it is liable to the same evils. The Government cannot justify it upon mathematical grounds any more than they can the present system, and they cannot justify it upon the grounds of probability any more than they can the existing system. That being the case, why do they not frankly admit it? Why do they not say that the Bill will not insure majority rule any more than does the present system, and that therefore they intend to abandon it? To pretend that it will insure majority rule when it will not, is unworthy of the Government, and they have no right to make such a pretence to this House.

Mr. GLYNN (Angas) [4.8]. — It was very difficult for the honorable and learned member for Corinella to explain, in the course of his speech, the full bearing of the figures which he quoted. My reading upon this question leads me to believe that, wherever the desire has been to insure the representation of the majority by some artificial means, the system of the transferable vote has been preferred to all other systems. In Germany about 35 per cent. of the electorates exercise a second choice. In many parts of the Continent both sys-

tems have been in vogue. According to an article which recently appeared in the *Times* newspaper, the system of the transferable vote is the better method for approximately ascertaining the real choice of the electors. I do not think it is claimed for any system that it will insure that perfect representation which seems to be contemplated by the honorable and learned member for Corinella. But surely he will admit—taking as candidates Smith, Brown, and Robinson—that that system is the better one under which an alternative choice is given to the electors. Under the present system the electors have absolutely no second choice. If they cannot secure the return of the candidate whom they favour upon their first votes, they have no other means of exercising a choice, whereas under the system of the transferable vote, they would have another choice. They could indicate the character of their second preference. In other words, they could say who among the other candidates they preferred, upon the assumption that their own candidate had not the remotest chance of being elected. In the illustration which he gave the honorable and learned member for Corinella assumes that it would be a mistake to provide that the candidate who received only 2,100 first votes should be rejected, seeing that he would probably be the candidate who would secure the greatest number of second preferences. But in making that statement the honorable and learned member has to assume a certain degree of depravity in the electors.

Mr. MCCAY.—I have not.

Mr. GLYNN.—If that were the result of their application of the proposed system it would indicate a moral delinquency on their part which I am not prepared to concede. He assumes that, for purely party purposes, and to prevent the possibility of a candidate being returned who was not one of their party, but who, upon various other grounds, might be infinitely preferable as a representative, they would throw away their second preference.

Mr. FRAZER.—A big percentage of the electors would do that.

Mr. GLYNN.—We can give a good system to the electors, but we cannot insure that they will act morally in giving effect to it. We must not reject a system which approaches mathematical correctness simply because it may be abused by the electors. We have to assume that they will exercise a reasonable choice. That is the basis of

the comparisons which, from time to time, are made in this House by members of all parties.

Mr. THOMAS.—Why not refer this Bill to the people?

Mr. GLYNN.—I am afraid that the criticisms which have been levelled against it are not sound, but I do say that it ought not to be passed upon the eve of an election, and that the system of majority rule is not so ideally perfect that we ought, on that ground alone, to expedite the passage of the measure. I believe that a majority ought to decide all questions, but I also maintain that the voice of the minority ought to be heard. This Bill seeks to insure that in all cases the majority shall rule. One can readily conceive of circumstances under which, in each of the seventy-four electorates for this House, a particular party might have a slight majority. By the application of the machinery provided in this Bill that party might secure all the representation of the Commonwealth, and we should thus have the grossest travesty of democratic government of which we can conceive. My objection to the Bill is not that it would not work out approximately in the way that its advocates claim, but that we ought not to pass it at the present stage of the session. A Bill providing for a system of proportional representation under a redistribution of seats ought to be brought in by the Government.

Mr. WATSON.—Under that system, we should have enormous electorates.

Mr. GLYNN.—No doubt, but that would not be an evil.

Mr. WATSON.—It is very costly to work them.

Mr. GLYNN.—That is a question which only concerns candidates. It may be a paradoxical statement, but the candidate who has the least money seems to be able to spend the most. Under the existing system, those who have not an organized party behind them and endeavour to press policies on their merits upon the electors have to provide their fighting funds out of their own pockets, so that the so-called poor man, thanks to the excellent effect of voluntary machinery, is not always in the worst position. If the electorates were larger, we should have perhaps a better system of electioneering, and many candidates would see the folly of spending large sums to conciliate big coteries of voters. The larger the electorate the less the neces-

sity to expend money in connexion with a contest, because it would be less effective.

Mr. THOMAS.—My constituency is nearly as big as England. How much larger would the honorable and learned member have it?

Mr. GLYNN.—I do not wish it to be any larger; but I do not think it would be a very great evil if we had triple electorates working under a system of proportional voting. Under such a system, men of some independence of judgment would have a possibility of being returned by voluntary effort, which would counteract the inadequacy of their means to obtain the position they desired. If an opportunity is offered to defeat the Bill at this stage I shall take advantage of it, but I regret that a test vote was not taken on the motion for the second reading. The Government practice of appealing to the loyalty of honorable members to give them a vote on a motion for the second reading of a Bill—a vote which may prove futile when the Bill is in Committee—is a very bad one.

Mr. FISHER (Wide Bay) [4.18].—Much of the criticism offered by the honorable and learned member for Angas is fatal to the Bill. He has pointed out that although it has been introduced with the intention of establishing majority rule, it does not mean that it will be necessary for a successful candidate to secure a majority of the votes polled. I take it that it is an attempt to make the electoral system a little less imperfect than it is, and I am not going to deny that, on the score of economy, there is much to be said for the principle of contingent voting as opposed to that of the second ballot. If any step in the direction of the second ballot is to be taken, the proposal put forward by the Government ought to be accepted. The history of the introduction of the contingent voting system in Australia is a very interesting one. It was introduced by a party which desired really to deny representation to the people.

Mr. DRAKIN.—What was the franchise?

Mr. FISHER.—It was an outrageous one.

Mr. PAGE.—And no one knows that better than does the Minister of Home Affairs.

Mr. GROOM.—I quite agree with the honorable member.

Mr. FISHER.—It was the foster sister of the proposal now before us. It

was introduced on the eve of a general election, and passed through Parliament before any appeal in regard to it had been made to the country. This Bill seems to be the product of a newspaper controversy, and I hold that the newspapers published near the Seat of Government are the last source from which we should seek guidance in regard to our legislation. Until a better electoral system has been discussed by the electors, and honorable members have been authorized by them to improve the present system, I do not think that we can safely amend it in the serious way proposed in this Bill. The contingent voting system is the least expensive and the most practical and effective one that could be introduced to improve our existing electoral machinery; but I am not prepared to support the passing of this measure on the eve of a general election. Only last session the Government introduced an amending Electoral Bill, and at that time, apparently, they had not thought out the proposition now before us. I do not agree with the view of the honorable member for Hindmarsh that we need to fight on party lines, and that under this Bill one party would be specially benefited. I do not think that the party to which I belong would be seriously injured if it were passed; but I certainly do think that the electors would be greatly confused. It is only fair that the Minister should state clearly that, whilst the Bill purports to secure majority rule, it would not necessarily have that effect.

Mr. GROOM.—It would enable a candidate to secure a majority of the votes polled.

Mr. FISHER. — It does not provide that no candidate shall be declared elected unless he has obtained a majority of the votes cast.

Mr. GROOM.—That is so.

Mr. FISHER.—The electors should be told that even this Bill does not require that a successful candidate shall secure a majority of the votes polled, and that therefore it does not mean majority rule. I have the greatest sympathy for minorities, but think the Bill would rather play into the hands of majorities, and would enable them to increase their strength. British communities are not, as a rule, greatly concerned with the question of how an election may affect the country. The people usually fight on party lines, and

their only desire is to secure the return of their chosen candidates. I do not say that the present system is a perfect one, but I feel confident that we should not be justified at this stage in passing a Bill which would lead to confusion on the part of the electors, and would not accomplish that which is desired by its strongest advocates.

Mr. WILKS (Dalley) [4.25].—During the debate on the motion for the second reading of the Bill, the objections just raised by the honorable member for Wide Bay were voiced by myself, and yet the honorable member voted for that motion.

Mr. FISHER.—I say that I am in favour of the principle.

Mr. WILKS. — The honorable member says that the Bill is the product of a newspaper controversy, and yet on Friday last he voted for the motion that it be read a second time. On the one hand we have a member of the Labour Party declaring that he objects to the Bill unless the system of preferential voting for which it provides be made compulsory, whilst on the other hand we have another honorable member of the party pointing out that a compulsory system of preferential voting is undesirable.

Mr. HUTCHISON.—I voted against the second reading.

Mr. WILKS.—I am aware of that. The Minister of Home Affairs has said, "Let us have a test vote on the proposal made by the honorable member for Hindmarsh, and drop the amendment proposed by the honorable member for Kalgoorlie." The Minister is a cute, able man, but his scheme will not work. He knows that the honorable member for Wide Bay, and others, believe in the abstract principle of preferential voting.

Mr. HUTCHISON.—I propose to secure a test vote by moving the omission of the word "the."

Mr. WILKS.—But the Minister would like to take a test vote on the question that the word "preferential" be omitted. The honorable and learned member for Angas has told us that as long as the electors have a reasonable chance of giving expression to their views, no serious harm will be done. It is our duty to make our electoral machinery as simple as possible, and I am certainly opposed to any fancy scheme of voting. Although I admit that the honorable and learned member for Corinella has a knowledge of mathematics which should peculiarly fit him

to deal with the provisions of this Bill, we found his explanation somewhat confusing, and in these circumstances I should like to know whether it is reasonable to assume that it is possible to make the system clear to the electors within the few weeks that will elapse before the next general election. They have been accustomed for years to vote under a certain system, and any sudden change will either cause them to be suspicious, or irritate them. If we pass this Bill, the electors will either refrain from casting their votes, or if they do go to the poll they will be suspicious and very anxious as to whether or not they have correctly recorded their votes. The honorable and learned member for Corinella told us that, under this Bill, at 6.30 p.m. on election day we might find that in one electorate "Brown" had been returned, and that his party were triumphant, that at 7.30 it might be said that "Smith" had a majority, and his party full of rejoicing, whilst at 10.30—just as the electors were retiring to rest—it might be announced that "Jones" had succeeded. I do not want a system which will put in "Brown" at 6.30, "Smith" at 7.30, and "Jones" at 10.30.

Mr. GROOM.—The honorable member desires a system which will return "Wilks" all the time.

Mr. WILKS.—Exactly. The complaint made by the Minister is that we have not majority rule, and that only a small percentage of the electors go to the poll. This Bill will not remove those causes of dissatisfaction, but it will certainly enable the manipulation of votes. The honorable member for Kalgoorlie has exposed that danger. Under an optional preferential system, a well organized party like the Labour Party could tell its supporters not to use the preference, and those supporters would then not vote at all for either a Reidite or a Deakinite. That would introduce the objectionable system of plumping. The other two parties, not being so well organized, would not be able to get their supporters to vote only for their candidates. Indeed, the supporters of the party to which I belong are so conscientious and high-minded that I feel sure that they would use the preferential vote, however they might be instructed. I am willing to support the honorable member for Kalgoorlie in making voting compulsory. If the preferential ballot be a good system,

let us make it compulsory, and let us apply it to elections for the Senate as well as to elections for the House of Representatives. You, Mr. Chairman, know well that, in the State from which you come, there is more need for preference in the case of Senate elections, when there will be ten, twelve, or fifteen candidates, than in the elections for this House. The honorable member for Hindmarsh is opposed to making the preferential ballot compulsory. He asks, "Do you think that the Labour Party are going to allow the majority to rule?" As a member of that party he is against compulsory preferential voting.

Mr. HUTCHISON.—Because under that system I should have to vote for candidates to whom I might be opposed.

Mr. WILKS.—That may be the honorable member's personal reason for objecting to the system, but his political reason is that he thinks that the other two parties would score if the preferential system were made compulsory.

Mr. HUTCHISON.—I think that they would.

Mr. WILKS.—For my part, I think that we shall play into the hands of the organized forces of labour if we provide for optional preferential voting. What we have chiefly to consider is, not how the system will affect any one of us, or any political party; but whether it will assist in securing the expression of the will of the majority. The Minister says that he wishes for majority rule, and I, too, am desirous that the will of the majority shall be felt. Remembering how few of those on the rolls vote at elections, I am compelled reluctantly to think that it will shortly be necessary to make voting compulsory. Voting is not merely a privilege; it is also a duty.

Mr. PAGE.—Why should not an elector be allowed to do as he pleases with his vote?

Mr. WILKS.—The honorable member would not contend that an elector should be free to obey or disobey the laws passed by this Parliament simply because he might not believe in them. Parliament has passed Acts in pursuance of its powers under the Constitution, and the minority as well as the majority must respect and obey their provisions. Why should not the same principle be applied to electoral matters?

Mr. PAGE.—The case is quite different.

says so because compulsory voting would not benefit the party to which he belongs.

Mr. PAGE.—We desire that every elector shall go to the poll.

Mr. WILKS.—The percentage of votes recorded is so small, ranging from 57 per cent. in Queensland to 28 per cent. in Western Australia, that I think that the time will soon come when voting will be made compulsory. The Bill does not provide for more effective voting. It will not increase the number of votes cast at the next election. The only States in regard to which it is likely to have effect are Queensland, Tasmania, and Victoria.

Mr. GROOM.—Had it been law, it would have affected the representation of four divisions in New South Wales at the time of the first election.

Mr. WILKS.—The honorable gentleman has explained that, on the records of the last election, the Bill, if passed, would affect only two divisions in Queensland, two in Tasmania, and nine in Victoria. It has surely not been brought in because of the four divisions in Tasmania and Queensland whose representation might be affected. The real reason for its introduction is that the Ministry wish to capture some of the nine seats in Victoria, which the adoption of preferential voting might give to them. But if the Government believe in the preferential system, they should make it compulsory, and apply it to elections for the Senate. Last week a section of the Labour Party saved the Bill by voting with the Government for the second reading, and now the Minister wishes the Opposition to vote with the honorable member for Hindmarsh to save the measure again. The honorable gentleman, as a private member, was considered astute and far-sighted, and his capacity for getting over difficulties has not left him now that he has become a Minister. I would prefer to test the opinion of the Committee in regard to the proposal to make preferential voting compulsory. What we all desire is an effective system. No doubt some honorable members voted for the Bill last week because they were afraid that if they had voted against it it might have been said that they were opposed to an effective system. But the measure is a make-believe and a sham, and, in my opinion, merely an instrument forged to secure a Ministerial gain.

Mr. SALMON (Laanecoorie) [4.41].—The discussion which we have entered upon

Committee has made plain the question at issue, and I therefore desire to say a few words in regard to it. I followed the characteristic utterances of the honorable member for Dalley with great interest. He probably voices the opinion of a not inconsiderable section of the Opposition. What we desire is majority rule, and the country has already suffered because the will of the majority has not always found expression, and because of the existence of three parties in the Federal Parliament. In my opinion, if we accept the amendment, we shall perpetuate minority rule, and shall lose the only chance we have of resolving the three political parties into two. Although the preferential system is not the most perfect that could be evolved, I am not prepared to offer a substitute for it. But there is one point in regard to which I should like enlightenment from the Minister. What reason is there for rejecting the candidate lowest on the poll?

Mr. GROOM.—That is the only practical method of determining the preference of the electors. The average system suggested by the honorable and learned member for Corinella is absolutely impracticable.

Mr. SALMON.—I followed the speech of the honorable and learned member for Corinella, and these proposals have been troubling me considerably.

Mr. GROOM.—He has admitted that his scheme is impracticable, and it is generally abandoned, so far as practical elections are concerned. No one advocates it now.

Mr. SALMON.—I feel that there is a danger that the candidate lowest on the poll on the first count may have received sufficient second preferences to entitle him to further consideration.

Mr. McWILLIAMS.—The second preferences would have been thrown away on him; they would not have been given to him because the electors wished for him as a representative.

Mr. SALMON.—I believe that the only proper system is the exhaustive ballot; but I recognise the enormous expense which it would entail, and the difficulty of getting electors to record their votes a second time. Those are serious obstacles in the way of its adoption. I am anxious that this Parliament shall not conclude its labours until it has provided a more effective system than we have at present. I have been in public life for nearly thirteen years, and on the

ity of the electors. Little over 100 votes more would have made me a majority representative; but I felt during the whole period that I sat that I was not the representative of the majority. I have come to the conclusion that it is very undesirable to perpetuate the present system. I am an ardent believer in majority rule. I believe that, although minorities should have representation, they should not have their wishes expressed to a degree entirely out of all proportion to their importance as a section of the community.

Mr. HUTCHISON.—The honorable member ought to move an amendment with the object of securing proportional representation.

Mr. SALMON.—It is all very well for the honorable member to offer suggestions of that kind. I am prepared to take what I can get at present. I have no desire to make proposals which would merely confuse the issue, and possibly lead to a postponement of the desired reform. I accept the Government's proposal as an instalment of a more perfect system.

Mr. THOMAS.—What does the honorable member regard as a perfect system?

Mr. SALMON.—A system under which all parties are represented in proportion to their strength. The proposed scheme seems to me to promise to achieve that result as far as practicable under existing conditions. I believe that it should be compulsory upon the electors to exercise their preference. If an elector is not prepared to make a preferential choice, he should not vote at all. He should be placed in the same position as the man who regards none of the candidates as worthy of his support. If compulsory voting were introduced, the electors would exercise their judgment to a far greater degree than at present, and this would probably lead to the abolition of the three-party system. The electors would give their first votes for the men whom they desired to see returned, and their second preferences to the men whom they regarded as next best. They would naturally feel some interest in the successful candidate to whom they may have given their second preferences, and would probably be prepared to follow him on a later occasion. Under a process of this kind, we should gradually have the electors becoming associated with two parties, and eventually the three-party system would be

verment to grapple with a very intricate question. In view of our scattered population, and the great expense that would be involved in carrying out an exhaustive ballot, I think that the Government have adopted the next best scheme that could be brought forward.

Mr. THOMAS.—Would the honorable member make it compulsory that the electors should express their preference?

Mr. SALMON.—Yes. I think that it should be compulsory upon the electors to express their preference in regard to candidates for election to this House in the same way that it is compulsory upon them to vote for three candidates in connexion with the Senate elections. The elector who will not express his preference must have a very low idea of the duties of citizenship. I do not think much of the citizen who, when he was asked which of two candidates he intended to vote for, said that he did not care much for either of them, and thanked God that both could not be elected. When a man has those sentiments he should become a candidate himself, and endeavour to discharge duties which he regards others as incapable of performing. It is not too much to ask any man who desires to see his country progress to exercise his preference, even in regard to candidates whom he does not desire to see in Parliament. Any man who declines to give a preference vote must be a blind partisan, and bound hand and foot to some party organization which will not allow him to exercise his free choice. I would compel all such men to express their preference, and not to be bound by the judgment of others. We are suffering too much from the effects of the dictation of organizations which have very little responsibility, but desire to seize the reins of power.

Mr. HUTCHISON (Hindmarsh) [4.53].—I wish to withdraw my amendment, and substitute another in order to avoid unnecessary discussion. I propose to strike out the word "the" instead of the word "preferential." That would have the same effect, and would enable the feeling of the Committee to be tested.

Mr. FRAZER (Kalgoorlie) [4.54].—I confess that there is some force in the statement made by the Minister that I am interested in preventing this unscientific measure from becoming law.

Mr. FRAZER.—If the honorable member had been in his place he would know that I voted against the motion for the second reading because I did not think that the Bill would achieve the result that was claimed. The debate which has taken place since then has amply indorsed my view. I am strongly opposed to legislation of this imperfect character being placed upon our statute-book, because I do not think that the people should be in a position either to observe a law or leave it alone, just as they please. If preferential voting is to be provided for the expression of preference, it should be compulsory. My object would best be achieved by allowing the honorable member for Hindmarsh to move his amendment, and I desire to withdraw mine in order that that may be done.

Amendment, by leave, withdrawn.

Mr. HUTCHISON (Hindmarsh) [4.56].—I move—

That the word "the," line 1, be left out.

The honorable member for Laanecoorie considers that the adoption of compulsory preferential voting will bring about a most desirable change in our method of conducting elections. I do not agree with him. Upon one occasion, I was a candidate for election to the Legislative Council of South Australia, and was opposed by two extreme Conservatives. My supporters could not, under any circumstances, desire that either of my opponents should be elected, because, in their view, they were the enemies of all progress.

Mr. McWILLIAMS.—But one of them must have been worse than the other.

Mr. HUTCHISON.—They were both so bad politically—personally they were perfect gentlemen, and treated me exceedingly well—that no believer in the policy of the Labour Party could possibly vote for them, except under compulsion. How could we reasonably ask men to give even a second preference to a candidate whom he regarded as an enemy to all progress? I did not succeed upon that occasion, but if I had secured the largest number of first votes, under a preferential system, the second preferences of those who supported my opponents would probably have resulted in my rejection. Owing to the election of such men as I have indicated to the State Parliament, the position of affairs in South Australia is so acute that the Government are being forced to ask for a dissolution.

probably have no effect, because I expect to be returned by an even larger majority than that recorded in my favour upon the last occasion. I am opposed to the Bill because I regard the preferential voting system as fundamentally bad.

Mr. KELLY (Wentworth) [4.59].—I am glad that the honorable member for Hindmarsh has moved his amendment, because I believe that a majority of honorable members do not wish the Bill to be carried through its final stages. I pointed out during the debate on the motion for the second reading of the measure that in all probability it would not be carried very far through Committee. What I desire to see tested is the question whether the Government intend to bring into operation legislation which is to apply to only one section of the Legislature. The honorable member for Kalgoorlie very properly said that he was opposed to the enactment of any laws which people could make applicable to themselves if they desired to do so. I am opposed to any law which will apply to only one section of the community. The Bill under consideration is merely intended to secure majority rule so far as one House of the Legislature is concerned. That is the question which I should like to see tested before we allow the measure to pass into that receptacle for which it is most fitted—the Government waste-paper basket.

Mr. HENRY WILLIS (Robertson) [5.1].—I have no intention of discussing this Bill, but I wish to place upon record my opposition to a proposal to tinker with our electoral law in the last hours of a moribund Parliament. It seems to me that the Government should facilitate an appeal to the country at the earliest possible moment. A rough-and-ready way of electing Members of Parliament has been in operation for many years, and until the people have been educated up to some other system, we are not likely to secure a perfect system of parliamentary representation. The electors are unprepared for any change at the present moment. According to the statement of the Minister of Home Affairs, a mongrel system of preferential voting was introduced into Queensland, but during the past eleven years only four elections might have been upset had a more scientific process of ascertaining the choice of the electors been adopted. Yet the Government have brought forward a Bill

system of preferential voting—a system which might be found to operate very well if we had time to thoroughly discuss and amend it. We know that the Hare-Spence system is very much better than the system which is provided for in this Bill, and other systems might be brought forward with advantage for the purpose of educating the public upon the subject of preferential voting. But for the Government to attempt to place upon the statute-book an amendment of the electoral law when the people are quite unprepared for it, and have not asked for it, seems to indicate that they do not know their business. There is plenty of other business to be transacted if the Ministry desired to proceed with it, but it appears to me that they are merely marking time. Here is a Bill, the fate of which was known a fortnight ago—

Mr. EWING.—Why did not the honorable member tell us of its fate at that time?

Mr. HENRY WILLIS.—The numbers were up a fortnight ago. I protest against this measure being brought forward merely for the purpose of killing time.

Mr. SALMON.—Surely the honorable member cannot blame the Government for pressing the Bill forward after it has passed its second reading?

Mr. HENRY WILLIS.—The Government had no right to bring it forward at this stage of the session. The burden of the argument advanced by the honorable member for Laanecoorie during his speech upon the Bill was that upon one occasion he had been elected by a minority vote. While I do not see eye to eye with him in all political matters, I think that he makes an excellent representative, and that his selection under the rough-and-ready method which exists, reflects great credit upon his constituents. The same thing might be said of the choice which is made by a majority of the constituencies. Until we can secure a more scientific system, and one which has been found to operate satisfactorily elsewhere, we ought not to waste time in considering proposals of this character.

Mr. McWILLIAMS (Franklin) [5.8].—Some of the reasons which have been advanced as to why this Bill should be killed are of an extraordinary character. For

to the Senate it should be destroyed, others claim that it should be killed because it does not provide for compulsory preferential voting, and still others declare that they are opposed to it in its entirety. Personally, I am in favour of preferential voting. In Tasmania, we tried a much more complex system of voting than that which is provided for in this Bill. It was quite the antithesis of the Government proposals. The Hare system is infinitely more difficult and complicated than is that embodied in the Bill.

Mr. HUTCHISON.—The electorates in Tasmania to which that system was applied were not single electorates.

Mr. McWILLIAMS.—It was applied at the first Federal elections, and it was also tried in connexion with two contests for the return of members to the Tasmanian Parliament. Whilst I opposed it because it provided for the representation of minorities—

Mr. PAGE.—Was not the honorable member returned to this House upon a minority vote?

Mr. McWILLIAMS.—I was.

Mr. PAGE.—If the honorable member does not believe in the representation of minorities, why does he sit here? Why not “turn it up”?

Mr. McWILLIAMS.—No doubt honorable members have heard the story of the man who was sitting upon an opponent, and who was asked why he did not let him up. His reply was, “If you only knew the difficulty that I had in getting him down, you would not ask me to let him up.” I believe that the preferential system of voting proposed in the Bill is so simple that any elector can understand it.

Mr. THOMAS. — Honorable members themselves do not understand it.

Mr. McWILLIAMS.—I think that the honorable member would understand it if he wanted to do so. But he objects to it *per se*, and also because it is not proposed to make it applicable to the Senate elections. Personally, I am prepared to support a proposal to extend its provisions to elections for the Senate. At a later stage, I shall also endeavour to provide for compulsory preferential voting. The experience of Queensland demonstrates that unless a compulsory system is introduced, the measure will not effect what many of us desire. I must confess that I cannot

understand the attitude which is taken up by some honorable members. Every day's work is important, seeing that we are so pressed for time, and yet ten out of twenty-two members of the Labour Party voted for the second reading of the Bill. If they desired to kill it, why did they not vote against the motion for its second reading? I can understand the position of those who object to preferential voting—

Mr. FRAZER.—But an honorable member who is opposed to this Bill need not be opposed to the system of preferential voting.

Mr. McWILLIAMS.—I challenge the accuracy of that statement. It is the duty of every honorable member who is in favour of preferential voting to make the Bill as perfect as possible. There is no reason why the advocates of that system should not make it a first-class measure.

Mr. FRAZER.—The whole of the Bill will require to be recast if its provisions are made applicable to elections for the Senate.

Mr. McWILLIAMS.—No. An alteration in that direction would simply involve technical amendments. We can make the Bill provide for compulsory preferential voting—

Mr. PAGE.—Why make it compulsory?

Mr. McWILLIAMS.—Because I believe thoroughly in the system of preferential voting. The experience of Queensland, where the system is an optional one, is that it is practically ignored.

Mr. THOMAS.—And yet the honorable member supported the second reading of the Bill.

Mr. McWILLIAMS.—Because in Committee I shall endeavour to provide for compulsory voting. I was informed days ago that after the measure had been carried into Committee it would be killed.

Mr. PAGE.—It does not look like it.

Mr. McWILLIAMS.—It does. The honorable member knows very well that the numbers are up. The ten members of the Labour Party, by whose votes it was taken into Committee, intend to kill it.

Mr. PAGE.—I rise to a point of order. I deny the statement of the honorable member. He has accused members of the Labour Party of having supported the second reading of the Bill with the intention of destroying it in Committee. That statement is absolutely untrue.

Mr. KELLY.—Is that statement in order?

Mr. McWILLIAMS.—The honorable member for Maranoa knows very well that it has been said in the lobbies that the Bill would get no further than the Committee stage. The ten members of the Labour Party who supported its second reading have no intention of assisting to carry it through Committee.

Mr. THOMAS.—That is not so.

Mr. McWILLIAMS.—We shall see whether those honorable members are in their places when the Bill is passing through Committee. I honestly believe that if it were brought into operation, it would, to a great extent, dish the Labour Party in Victoria.

Mr. PAGE.—I did not vote against it on that ground.

Mr. McWILLIAMS.—I think that the Labour Party are justified in viewing the Bill from the stand-point of its effect upon them. I also believe that the state of the parties in this House may have been responsible for the introduction of the Bill, otherwise I cannot understand why a measure of such importance should have been introduced during the last month of the session. But, apart from that consideration, I believe in the system of preferential voting. I think that the measure can be made a machine to give effect to majority rule, and for that reason I shall support it.

Mr. BRUCE SMITH.—What was the experience of the operation of a similar system in Tasmania?

Mr. McWILLIAMS.—The system which was tried in Tasmania was the very antithesis of that which is embodied in the Bill. There we tried the Hare-Clark system, which is practically identical with the Hare-Spence system. Its aim was to insure minority representation.

Mr. HUTCHISON.—That system could not be applied to single member constituencies.

Mr. McWILLIAMS.—No. The object of the Hare-Clark system was to do away with majority rule, and to secure minority rule, in other words to provide for proportional representation. If applied to elections for the Senate, for example, it would probably result in the Labour Party, the supporters of the Reid-McLean party, and of the Deakin party each securing the return of a representative in the majority of the States. In Tasmania, after the Hare-Clark system had been applied to two State elections and to one Federal

election, it was almost impossible to find a candidate who supported it. The public became so satisfied that the system was a failure, that when Mr. Nicholls, who subsequently became Attorney-General — and who had frequently written pamphlets in favour of the principle — was before the electors, he was required to give a direct pledge that if he were returned he would not attempt to reintroduce it. The whole object of that system was directly opposed to that of the scheme embodied in this Bill, and it was far more complicated. The electors, however, readily grasped the effect of it, and the percentage of informal votes cast was less than that recorded under different systems in some of the other States. I do not think that we should find even 1 per cent. of the electors so unintelligent as not to be able to place, in the order of their preference, the figures 1, 2, 3, opposite the names of the candidates on the ballot-paper. They practically perform the same operation in connexion with elections for the Senate, since they have to place a cross in the square opposite the name of each of the three candidates for whom they vote. I do not think that there would be the slightest difficulty in carrying out this system. The chief question is whether the Committee believe in preferential voting.

Mr. THOMAS. — The honorable member believes in the principle?

Mr. McWILLIAMS.—I do.

Mr. KELLY.—For the Senate?

Mr. McWILLIAMS.—I am prepared to support the application of the system to both Houses. If honorable members were not in earnest in voting for the motion that the Bill be read a second time, and there is now a majority against it, they have been guilty of an absolute waste of time in carrying it into Committee.

Mr. THOMAS (Barrier) [5.18].—I am rather surprised that a representative of Queensland should have introduced a Bill of this character. The Government assert that they wish majorities to be represented, and that this Bill is an attempt to give effect to that desire; but the Minister of Home Affairs, who comes from Queensland, knows that when the contingent voting system was introduced in that State, there were two parties in the local Legislature, and that—

Mr. GROOM.—There were always three parties.

Mr. THOMAS.—I was under the impression that there were only two, but let us

assume that there were three. The contingent voting system was introduced in order to do away with the tripartite system; but it has had no such effect. At the present time, there are at least five parties in the Legislative Assembly in Queensland, so that the system has increased, rather than decreased, the number of parties, and, instead of bringing about majority rule, it has only increased the minority vote. I shall not deal with the question of compulsory voting at this stage, but will content myself with the statement that I am opposed to the proposal to make this system compulsory.

Mr. WILKINSON (Moreton) [5.20].—As a representative of Queensland, who believes in this system, I desire to briefly address myself to the question. While the contingent voting system has not completely realized all that was expected of it in Queensland, it has been, to a certain extent, availed of, and the fact that comparatively few informal votes are cast under it proves that the people have found no difficulty in making themselves familiar with it. On one or two occasions, as the result of the contingent vote, a return has been altered. The system provided in this Bill is much simpler than that which prevails in Queensland, under which the elector has to cross out the name of every candidate except the one for whom he wishes to cast his primary vote. The numeral "1" is not used. The elector leaves one name on the ballot-paper untouched as an indication of how he wishes to record his primary vote, and he is expected to express his contingent votes by placing opposite the remaining names the figures 2, 3, 4, and so on. Under this Bill, however, no names would be deleted from the ballot paper. The elector would begin by writing the figure 1 opposite the name of the candidate of his choice, and show his preferences by filling in, after the names of the other candidates, consecutive numbers. I fail to see where any difficulty is likely to arise under this scheme. I am not in favour of making it compulsory, for I do not think we are called upon to compel the people to use a right conferred on them. All that is necessary is to enable the elector to make known his will. If, having been endowed with the power to take a share in the government of the Commonwealth, he does not choose to use it, the responsibility rests solely with himself. If a majority of the

electors refrain from going to the poll, and those who are returned make laws that are unsatisfactory to them, they have no right to complain; they certainly ought not to complain of minority representation. We make many laws conferring on the people rights, which we do not compel them to exercise. We make coercive laws for the prevention of evil, or injury; but there are in our statute-book many laws which confer on our citizens rights which, if unexercised, do injury to no one but themselves. For instance, we make it possible for people to select land, to take up grazing areas, or homestead leases, but we do not compel every citizen to exercise any one of those rights. In the same way we have conferred the franchise on the adult population of the Commonwealth, and if a majority of the people value it so lightly as to refrain from exercising it, they have no reason to complain of any one but themselves. If the system of preferential voting in the Bill be adopted, there will be no need for newspapers or party leaders to complain that the Parliament of the Commonwealth is elected by minorities. The electors will have an opportunity to select a Parliament representing the majority of the people. I have a distinct recollection of the first Commonwealth elections in Queensland at which resort was had to the contingent voting system. It was used then in connexion with the electorates of Brisbane and Moreton, and, instead of prejudicially affecting the position of the candidates who were eventually returned, it immensely increased their lead, showing that the first choice of the electors was actually the choice of a majority of the constituents. In the Brisbane electorate 866 contingent votes were polled for the successful candidate, the late Mr. Macdonald Patterson, and only seventy-two contingent votes were polled by the candidate who was second on the primary count. The contingent vote thus increased the lead of the successful man. And so with the electorate of Moreton, in which out of the 381 contingent votes polled, 321 went to the leading candidate. These facts show that the man who heads the poll on the primary count is most likely to lead after the contingent votes have been counted. In the event of the contingent votes being divided amongst the two candidates who were second and third on the primary count, and whose policies were

practically the same, the candidate with a diametrically opposite policy who headed the list on the first count would naturally be rejected, and I think that no objection could be raised.

Mr. GROOM (Darling Downs—Minister of External Affairs) [5.28].—I hope that the Committee will stand by the Bill. The honorable and learned member for Corinella has directed certain criticism against it, based upon the working of the average system.

Mr. McCAY.—My objection is to the Bill.

Mr. GROOM.—The honorable and learned member says that if we apply the average system—

Mr. McCAY.—I say that the system proposed by the Government is worse than the average system, and is no better than the one now in force.

Mr. GROOM.—At present we have single electorates throughout the Commonwealth, and we have to face the fact that members are sometimes returned by minorities. Our desire is that in the final selection the electors in every constituency may have an opportunity to so express their opinion as to return a candidate who represents a majority.

Mr. McCAY.—This Bill will not enable that to be done.

Mr. GROOM.—Under the Bill we give the electors the power, and if they choose to exercise their option they will be able to secure majority representation. Practically, with the exception of the honorable and learned member for Corinella, every honorable member who has spoken has admitted that the existing system is unsatisfactory.

Mr. McCAY.—I am not responsible for the opinions of others.

Mr. GROOM.—Honorable members are responsible for the opinions they express. We made inquiries as to what system was preferable to the existing one, and it was suggested that the second ballot was the proper one to adopt. It may be that others think that there is a still better system than that proposed by the Government. There is, for instance, the exhaustive ballot, which is in operation in France where at the second election all the candidates again go to the poll, and one may secure a victory there by mere plurality of votes. Under the second ballot

system in other places, only those who have obtained the highest number of votes go to the poll at the second ballot, the other candidates being excluded. We contend that under the system which we propose all the advantages of the second ballot can be obtained with the one voting paper. Our system is practicable, and the best effective system that has been proposed. The average system, on the other hand, is impracticable and impossible, and I do not know any one who advocates its application to elections to the House of Representatives.

Mr. McCAY.—I have not done so.

Mr. GROOM.—But the honorable and learned member's speech was devoted to showing how admirable the system is.

Mr. McCAY.—No. I said that it was mathematically more correct than that provided for in the Bill, but practically exceedingly difficult. Both systems are bad.

Mr. GROOM.—We have to consider how we can remedy the existing system. The proposals of the Government are the best and most practicable that have been put forward, and I therefore ask the Committee to accept them.

Question—That the word "the" proposed to be left out stand part of the clause—put. The Committee divided—

Ayes	...	...	18
Noes	...	...	26
Majority	...	...	8

AYES.

Cook, Hume
Deakin, A.
Ewing, T. T.
Forrest, Sir J.
Groom, L. E.
Isaacs, I. A.
Kennedy, T.
Mahon, H.
Mauger, S.
McWilliams, W. J.

Phillips, P.
Ronald, J. B.
Salmon, C. C.
Tadon, F. G.
Watson, J. C.
Wilkinson, J.

Tellers:
McColl, J. H.
Page, J.

NOES.

Bamford, F. W.
Carpenter, W. H.
Chanter, J. M.
Cook, Joseph
Edwards, G. B.
Edwards, R.
Fisher, A.
Fraser, C. E.
Fysh, Sir P. O.
Glavin, P. McM.
Harper, R.
Hutchinson, J.
Johnson, W. E.
Lee, H. W.

Liddell, F.
McCay, J. W.
McLean, A.
Smith, Bruce
Thomas, J.
Thomson, David
Watkins, D.
Wilks, W. H.
Willis, Henry
Wilson, J. G.

Tellers:
Culpin, M.
Kelly, W. H.

PAIRS.

Maloney, W. R. N.
Skene, T.
Crouch, R. A.
Spence, W. G.
Bonython, Sir J. L.
Lyne, Sir W. J.
Chapman, Austin
Higgins, H. B.
Storrer, D.
Quick, Sir J.

Hughes, W. M.
Knox, W.
Robinson, A.
Brown, T.
Poynton, A.
Reid, G. H.
Conroy, A. H. B.
Gibb, J.
Smith, Sydney
Thomson, Dugald

Question so resolved in the negative.
Amendment agreed to.
Progress reported.

REFERENDUM (CONSTITUTION ALTERATION) BILL.

SECOND READING.

Debate resumed from 30th August (*vide* page 3736), on motion by Mr. GROOM—

That the Bill be now read a second time.

Mr. JOSEPH COOK (Parramatta) [5.41].—The Bill has been introduced to enable proposed alterations of the Constitution to be submitted to the people. One of these is that our parliamentary elections should be held at a later period of the year than is now permitted by the Constitution. The Bill provides generally for the taking of referenda, and is closely related to our electoral law. Therefore, whenever the electoral law is amended, this measure must also be amended.

Mr. GROOM.—We must have absolute uniformity. In the States the ordinary electoral machinery is used for the taking of a referendum.

Mr. JOSEPH COOK.—That shows the need for assimilating as quickly as possible the electoral law of the Commonwealth and the States.

Mr. DEAKIN. — Great strides have been taken in that direction.

Mr. JOSEPH COOK. — One realizes the nature of the democratic Constitution under which we live in considering a Bill such as this. What was spoken of ten years ago theoretically as something to look forward to is now an accomplished fact, and we are proceeding to demonstrate the practicability of the principle of the referendum, and the facility with which the Constitution may be altered. I admit that the passing of the Bill does not alter the Constitution, but the confirmation of measures submitted by the process provided for in it would do so. Many nations would give much to be able to accomplish alterations in their Constitutions so easily. Therefore

democratic era in which we are living. The Bill is a measure which can be discussed with greater advantage in Committee than upon the motion for the second reading. I say that the more readily because I have not looked into the measure very carefully, and therefore am not in a position to discuss it in detail. I trust, however, that it will not be rushed through before honorable members have had a reasonable opportunity to give it careful attention.

Mr. GLYNN (Angas) [5.46].—No doubt the Bill is very largely a Committee measure. The Bill ought to have been introduced at least twelve months ago. It is purely a machinery measure, to be taken advantage of whenever an amendment of the Constitution is required, and it should have been complete in itself instead of being composed for the greater part of references to our electoral legislation, which is more or less of a transitory nature. There are one or two provisions in the Bill which may very well be referred to at this stage. I think that the Government are confusing the functions of the Judiciary with those of the Executive. In clause 6, provision is made that the Governor-General may cause to be attached to the writ for the submission of the proposed law to the electors a copy of the proposed law, or a copy of a statement certified to be correct by a Justice of the High Court setting out—

- (a) the text of the proposed law;
- (b) the material parts of the Constitution proposed to be altered by the proposed law; and
- (c) the material parts of the Constitution as they would be if the proposed law were passed and assented to.

Surely it is not desirable to force the Judiciary to forestall in the manner proposed their judgment as to the meaning of the proposed law.

Mr. GROOM.—They will be required to give their certificate only as to the form of the section in which the proposed amendment is to be incorporated.

Mr. GLYNN.—The provision goes beyond that. The certificate will have to set out the material parts of the Constitution proposed to be altered, and as they would be if the proposed law were passed and assented to. In other words, they are asked before any argument takes place before them to forestall their deliberate judg-

Mr. WATSON.—That would be a great mistake, because it would lessen litigation.

Mr. GLYNN.—The honorable member is so permeated with suspicion that one cannot offer any criticism upon a Bill without exciting his opposition. I would point out to him that at the Federal Convention I endeavoured to have inserted in the draft Constitution a provision which would permit the Attorney-General to submit matters of this kind for the judgment of the High Court before any litigation was entered upon. Very important issues have been settled in Canada and in the United States in that way. Had my proposal been agreed to, we should not have had such a large array of forensic talent appearing before the High Court in order to argue questions relating to the constitutionality of our Acts, and attempting, among other things, to bring the States Governments within the operation of the Commonwealth Arbitration Act. At all events, we could have dispensed with a great deal of litigation by bringing any questions in doubt before the Court immediately after a law had been passed. My point is that under the Bill as it stands it is proposed to ask the High Court, before any argument takes place before them, to explain the effect of the proposed alteration of the Constitution. The amendment that I contemplated in the Constitution did not provide for any judgment of an extra judicial character being given with regard to our legislation.

Mr. WATSON.—It may be that we have power under the Constitution to do as the honorable and learned member desired.

Mr. GLYNN.—I do not think so. The necessary provision could not be made in the Judiciary Act, because we had no power under the Constitution to do as I have indicated. The power is conferred by some of the American States and the Canadian Constitution, and has been availed of with great advantage. I think that I am fully entitled to question the wisdom of asking a Justice of the High Court, without argument, to give a sort of judicial pronouncement as to the meaning of certain proposed legislation. In the event of matters being argued before them subsequently, the Court might be very much embarrassed by being brought face to face with a previous decision of this nature. I do

not know what would be the position if the Justice were proved to be wrong. Suppose that a certain matter had been submitted to the electors upon the opinion of a Justice as to the effect of a proposed law, and it was subsequently found, after mature consideration and argument, that the *primâ facie* impression conveyed to the electors was wrong. Then we should have a law adopted under a mistaken view with regard to its meaning. That is possible under the Bill. I think that I have shown that the Bill deals with something beyond mere matters of procedure. I quite approve of the provision that the result of the vote given by the electors shall be tested in the Court only at the instance of a State or of the Commonwealth. The matter is one upon which we should not allow any individual to raise a question.

Question resolved in the affirmative.

Bill read a second time.

In Committee:

Clauses 1 and 2 agreed to.

Clause 3 (Definition).

Mr. CARPENTER (Fremantle) [5.55].—I should like to know whether it would be possible to extend the scope of the measure so as to permit of any question, including one that did not involve an alteration of the Constitution, being remitted by way of referendum to the electors? Personally, I am very glad, indeed, that we have accepted, almost without discussion, the principle of the elasticity of our Constitution. The American people make somewhat of a fetish of their Constitution, which has been referred to by their plutocracy as one of the grandest checks upon democracy that could possibly be devised. I should be very sorry to see any manifestation of that spirit in Australia. The Commonwealth Constitution should be an instrument for broadening our powers of self-government. I am very glad that we have indicated our readiness to alter the Constitution whenever we think it is desirable, and that we are determined not to allow the letter of the Constitution to prevent us from doing that which we regard as beneficial for the whole of the people.

Mr. GROOM (Darling Downs—Minister of Home Affairs) [5.57].—The object of the Bill is merely to deal with alterations of the Constitution, and contemplates a referendum upon matters affecting both the Commonwealth and the States. The machinery provided for might, with modifica-

tions, be used in some other Bill for the purpose of enabling a referendum to be made upon other matters; but it would be undesirable to mix up a general referendum upon matters in which the States are not concerned with machinery which is intended to apply merely to the amendment of the Constitution.

Mr. CARPENTER.—Perhaps so.

Clause agreed to.

Clauses 4 and 5 agreed to.

Clause 6—

The Governor-General may cause to be attached to the writ a copy of the proposed law, or a copy of a statement certified to be correct by a Justice of the High Court setting out—

- (a) the text of the proposed law,
- (b) the material parts of the Constitution proposed to be altered by the proposed law, and
- (c) the material parts of the Constitution as they would be if the proposed law were passed and assented to.

Mr. GLYNN (Angas) [5.58].—This is the clause to which I directed attention. Perhaps the Minister will give honorable members the benefit of his opinion.

Mr. GROOM (Darling Downs—Minister of Home Affairs) [5.59].—It was not out of any disrespect to the honorable and learned member that I did not reply at an earlier stage. I am sure that every honorable member values very highly any criticisms that he may offer, because we all feel that he brings to bear upon any subject to which he gives his consideration the very best that is in him. If he will look at the clause more closely he will find that it hardly goes so far as he has indicated. We desire to have in some certified form a statement of the proposed alteration of the law, and of the way in which the Constitution will read when altered, so that the electors may have before them some authorized statement, free from any party suggestion.

Mr. LEE.—Why not insert the word "shall"?

Mr. GROOM.—Because we cannot impose other than judicial duties upon the Justices. Under the Constitution the duties of the Justices of the High Court are defined, and we cannot compel them to undertake any other duties.

Mr. KELLY.—Then they may refuse to perform this work.

Mr. GROOM.—But the matter is put in such a way that I think they would agree to perform it.

think that they will. They are merely asked to certify to the text of the proposed law. The text of the proposed law is the form in which a Bill has passed Parliament.

Mr. G. B. EDWARDS.—But surely we do not want a Justice of the High Court to certify to that?

Mr. GROOM.—The clause also provides that a Justice may certify to the material parts of the Constitution proposed to be altered by the proposed law. We generally propose to amend an Act by the omission of certain words, or by the insertion of others, or by the addition of fresh clauses. Whatever alteration may be made in the Constitution will be made in the text of the Constitution itself. Under the Bill a Justice of the High Court would be asked to certify to the material sections proposed to be altered, and to the material parts of the Constitution which would be affected if the proposed law were assented to. In other words, he would be asked to certify to the form in which the sections of the Constitution proposed to be altered would read if the proposed alteration had actually been made.

Mr. McCAY.—He would be asked to make a reprint?

Mr. GROOM.—As far as possible.

Mr. GLYNN.—Surely we do not want a Justice of the High Court to do that.

Mr. GROOM.—It is advisable to have a certified statement in an authoritative form.

Mr. McCAY.—The Clerk of the Parliaments could undertake that work.

Mr. GROOM.—It would carry more weight if the proposed alteration were certified to by a Justice of the High Court.

Mr. G. B. EDWARDS.—A Justice would have to go to the parliamentary authority for the material for his statement.

Mr. GROOM.—The Justice would take the Act which had been passed by Parliament and the Constitution, and would issue an authenticated statement to the electors, who would then know exactly what was proposed.

Mr. FISHER.—Suppose that a dispute arose as to what were "material parts"?

Mr. GROOM.—In such a case, the Justice would decide the matter.

Mr. FISHER.—But there might be a dispute as to what constituted a "material part."

to certify.

Mr. FISHER.—By so doing, we should bring him into the political arena.

Mr. GROOM.—No; he would merely certify as to points of law.

Mr. FISHER.—I might not hesitate to call a particular part of the Constitution a "material part," but he might not regard it as such.

Mr. GROOM.—The honorable member is just as free to express his opinion upon a judgment of the High Court.

Mr. McCAY.—But one's opinion upon the judgment of the Court would not affect that judgment, whereas our opinion upon what was the material part of the Constitution proposed to be altered might affect the expression of opinion by the Justice. When we are criticising the opinion of a Judge, we are criticising it before a Court of Appeal, namely, the people.

Mr. GROOM.—We frequently hear the judgments of the High Court criticised. We had a notable instance of that in connexion with the case which involved the liability of Federal officers to pay income tax. The serious point in the criticism of the honorable and learned member for Angas is that there might be some difference of opinion if a Justice of the High Court were called upon to give an abstract opinion upon any specific proposal to alter the Constitution. The desire of the Government is to insure the presentation of an impartial statement to the electors so that the latter may be able to say, "No matter what others may think, this is the statement of a Justice of the High Court."

Mr. GLYNN (Angas) [6.10].—I think that we shall be committing a great mistake if we agree to the retention of the words "Justice of the High Court." Either we are asking a Justice of that tribunal to give an opinion as to the effect of a proposed law, or else we are asking him to declare the way in which the Constitution would read if a proposed amendment were given effect to. The latter can scarcely be intended. We would never ask a Justice of the High Court to undertake work of that character. The object of paragraph c is to secure an expression of opinion as to the effect on our Constitution of any proposed amendment, assuming that it were assented to. That statement would be given by a single Justice without

tion, the electors were induced to adopt an amendment which was afterwards pronounced to be wrong, we should be placed in a very awkward position. The method of certifying to the effect of any amendment in our existing laws has already been approved. It is for the Clerk of the Parliaments to certify, on behalf of Parliament, the exact form in which a proposed law has passed the Legislature. That form is judicially recognised throughout the Commonwealth. We have provided in section 7 of our State Laws and Records Recognition Act that—

Evidence of any proclamation or other act of state of any State may be given in all Courts within the Commonwealth by the production of a copy thereof, either—

- (a) proved to be an examined copy thereof, or
- (b) purporting to be sealed with the seal of that State.

I think that the accuracy of a State Act is similarly proved. If I am not mistaken the method of proving the form in which Bills pass the States Parliaments, and the records of those Parliaments themselves, is the production of a certificate under the hand of the Clerk of the Parliaments.

Mr. GROOM.—A printed copy of a Bill is sufficient.

Mr. GLYNN.—Why should we be so particular to tell the electors the exact form in which we have passed any law? If we do that we shall be submitting to them all sorts of Chinese puzzles. Take the Braddon clause as an illustration. When it is submitted to the electors, surely we shall not explain under the hand of a Justice of the High Court the effect of the amendment of the Constitution proposed. As a rule, the electors have a very poor idea of the elaborate arguments which have been employed in the Legislature before a Bill has passed through the crucible of the two Houses of Parliament. If they were compelled to listen to the *pros* and *cons* advanced in this House, they would probably be more confused than when they entered it. Instead they arrive at conclusions in a rough-and-ready way upon general principles.

Mr. McCAY (Corinella) [6.15].—I shall be glad to learn that the Minister recognises the force of the criticism of the honorable and learned member for Angas. It seems to me that this clause may be interpreted in

or to set out textually only the Constitution as it would appear in its altered form. Is the latter the Minister's idea of what is intended?

Mr. GROOM.—I think so.

Mr. McCAY.—If that be what is intended it is not necessary to requisition the services of a Justice of the High Court. The certificate of the Clerk of the Parliaments, or the certificate of the Attorney-General would be quite sufficient. If, on the other hand, the provision means that a Justice of the High Court is to certify generally as to what portions of the Constitution will be affected by the alteration proposed, and as to the general meaning of that alteration, in consequence of that alteration, we are treading upon very dangerous ground. Let me give a specific instance to illustrate my point. Let us suppose that a proposal is made to amend section 87 of the Constitution which is known as the "Braddon section." Under this Bill two things could happen. A Justice of the High Court might simply certify that section 87 was the material part of the Constitution proposed to be altered, and he might certify the form in which that section would read if the proposed alteration were actually made. In other words, he might make merely a textual statement. It is not necessary to avail ourselves of the services of a Justice of the High Court to do that. But if on the other hand he were required to certify as to what other financial provisions of the Constitution would be affected to any material extent by the proposed amendment of section 87, we should be getting on to very dangerous ground indeed. I strongly urge the Government to accept the view that all we desire is the setting out of the text of the proposed law, and of the verbal alterations which would be made in the Constitution by the proposed amendment. Either the Justice of the High Court is to certify merely to verbal correctness, or he is to certify to legal questions. The first duty is unnecessary, and the second is dangerous. In my judgment we might use the words "the text of" in both paragraphs *a* and *b*.

Mr. GROOM.—Yes.

Mr. McCAY.—Does the Minister seriously urge that that is the kind of work that we should ask a Justice of the High

Court to perform? Surely it is the function of the Clerk of the Parliaments? Who certifies to the correctness of the reprint of Acts which have been amended?

Mr. DEAKIN.—That is done in the Attorney-General's Department, and it is checked by the officers of Parliament.

Mr. McCAY.—That is exactly what ought to be done in this case. The amendment which the Minister proposes is merely that a certificate shall be issued as to the correctness of the text.

Mr. ISAACS.—And as to material parts.

Mr. McCAY.—That means that the Justice is to certify that certain other sections which are not verbally amended are yet affected by the amendment. In other words, he is to give opinions on questions of law that will not be binding. That is very undesirable—

Mr. WATSON.—It is highly desirable that we should obtain them in advance.

Mr. McCAY.—But they would not be in the least binding.

Mr. WATSON.—They would be an indication of what would probably be held to be the law.

Mr. McCAY.—No. The Justice would issue a certificate without hearing argument. No Court is qualified to interpret every part of a complicated instrument like the Constitution of the Commonwealth, without hearing arguments on both sides.

Mr. WATSON.—I am inclined to think that it would be a very good thing if we could abolish argument in these matters, and allow the Justices to decide them.

Mr. McCAY.—I wish to impress upon the Committee that the proposal of the Minister is that the Justice shall certify that in his opinion certain sections of the Constitution are affected, although the amendment in terms does not relate to them, and that he is also to certify what those unnamed sections read in conjunction with others that are amended will mean. I think we are now entering upon a course which the Ministry did not originally contemplate, and that, after all, the Attorney-General is the official who ought to deal with these questions. The certificate of the Attorney-General or of his Department, coupled with that of the Clerk of the Parliaments, should be sufficient. If the certificate is to be merely one as to textual correctness, there is no reason why it should be issued by a Justice. If, on the other hand,

it is to show what parts of the Constitution are affected by an amendment which does not directly relate to them, the officer will be required to deal with very abstruse questions of law. A Justice might take a wrong view of the effect of the amendment, with the result that a preconceived opinion which would not be binding would be placed before the electors. If a case relating to the amendment came before the High Court, such an opinion would not, and ought not to be, binding. The opinion of one Justice ought not to be binding; the other Justices might all differ from his view.

Mr. WATSON.—I think the only weak point of the Government proposal is that it contemplates taking the opinion of one Justice instead of several.

Mr. McCAY.—Even the opinion of several Justices might not be binding, because in certain cases resort may be had to the Privy Council.

Mr. FISHER.—This is no part of the duty of a Justice of the High Court. What would happen if a Justice declined to carry out this work?

Mr. McCAY.—It is certainly no part of the duty of a Justice. I do not like the proposal. I am prepared to trust the Attorney-General's Department and the Clerk of the Parliaments to give an approximately correct opinion on these points.

Mr. GLYNN.—That is practically what was done when the Constitution was submitted.

Mr. GROOM.—But that was only as to the wording of the Constitution.

Mr. McCAY.—It was the same kind of thing. I ask the Minister to agree to an amendment providing that the certificate shall be issued by the Attorney-General and the Clerk of the Parliaments, or by the Clerk of the Parliaments alone. I do not wish to move a hostile amendment, and the honorable and learned gentleman admits that there is some force in the objection raised by the honorable and learned member for Angas. The opinion of the Justice would not be a determination of law, and the proposal in the clause as it stands would drag a Justice into the vortex of politics. I ask the Minister to agree that the certificates of the Attorney-General and the Clerk of the Parliaments are sufficiently honorable as to render it unnecessary for us to have to appeal to the High Court to do this work.

Mr. WATSON (Bland) [6.22].—It is not surprising to find legal members of the House anxious to avoid anything in the nature of short cuts to decisions.

Mr. McCAY.—This clause will not mean short cuts.

Mr. WATSON.—I think that it will. My only complaint is that the Ministry have not gone far enough. I think that they should have proposed to obtain the opinion, not of one Justice, but of the High Court.

Mr. MAHON.—There might not be time in some cases to enable the opinion of the Court to be obtained.

Mr. WATSON.—No; but it is an alternative course which the Ministry may adopt.

Mr. McCAY.—We could not force the Court to give an opinion on these questions.

Mr. WATSON.—I admit that, under the existing law, we could not do so; but I think that an amendment of the law which would enable us to appeal to the Court in regard to all these matters would be a very salutary and proper one. The honorable and learned member for Corinella has said that the proposal of the Government would really mean dragging the Court into the vortex of politics. He might just as well make the same assertion with regard to the Canadian law, which, so far as I have been able to ascertain, has worked exceedingly well. There the Court is compelled, at the instance of the Attorney-General, to give an opinion on matters which, so far as political questions are concerned, may be subject to the decision of the people.

Mr. McCAY.—Is not that opinion given after the law is law?

Mr. GROOM.—No; it may be given on appeal.

Mr. WATSON.—That is so. I have never heard that any serious difficulty has arisen from that provision; I have not heard that the Court there has been dragged from that position of dignity and aloofness which we all think it should occupy.

Mr. FISHER. — But the question there submitted to the Court is often one as to whether a certain Bill is within the constitutional power of the Dominion Parliament.

Mr. WATSON.—Quite so; and in this Bill the only proposal is that the Justice shall issue a certificate indicating to the

people what the effect of a proposed alteration of the Constitution would be. The honorable and learned member for Corinella has pointed out that some amendments might affect parts of the Constitution to which they did not directly relate, and I think it is only right that there should be appointed some authority learned in the law who would be able to deal with such questions. Anything which will have the effect of committing the Court to an expression of opinion is in the direction of short cuts and should be adopted by us. I see no danger in the provision, and my only regret is that the Government have not gone a little further, so that we should be able to obtain the opinion, not of one Justice, but of the High Court Bench, in regard to a proposed amendment of the Constitution to be placed before the people.

Mr. FISHER (Wide Bay) [6.26]. — I quite agree with the last remark made by the honorable member for Bland. It would certainly be well, in cases of doubt, if we could obtain the decision of the Court on the question of whether or not certain proposed legislation was within the constitutional power of the Commonwealth Parliament, instead of our having to pass the Bill before being able to have the matter determined. It seems to me that, whilst the proposal in this clause that we should obtain from a Justice of the High Court a definite opinion regarding the matters stated, is excellent in theory, it would, from a political point of view, prove unsatisfactory. All these questions will be political ones, and if the politicians interested in them are incapable of placing their views in regard to them before the electors, they will be very different from those who took part in the Federal campaign. I think honorable members will agree that during that campaign no point was missed. The most outrageous statements were made, and yet the people cheerfully accepted the Constitution. We ought to refrain as much as possible from appealing to the Justices in any matter regarding our Constitution. The day will come when this Parliament will have so many powers that it will practically have, so to speak, original jurisdiction. I do not say that it will be to-morrow, or next week; but the time will come when the electors will vest in us many powers that we do not at present possess.

Sitting suspended from 6.30 to 7.30 p.m.

Mr. FISHER.—In my opinion, it is not desirable that there should be the possibility of conflict between Justices of the High Court and politicians, but the proposal to have copies of a proposed law certified to by a Justice of the High Court, setting out, not only its text, but the material parts of the Constitution proposed to be altered, and as they would be if the law were passed, might lead to serious controversies. It would be argued that Justices differ as to the interpretation of the Constitution, and the bringing of the High Court into controversial politics would not benefit that institution, nor would it lead to the elucidation of the questions in dispute. I agree with those who contend that the arrangement provided for in the clause would be better left to an officer of Parliament and the legal authority advising the Government. In my opinion, it is only a matter of time when the powers of the Commonwealth Parliament will be so much enlarged that this will be practically a sovereign Parliament. Notwithstanding the fact that we have a written Constitution, there is a spirit of unification amongst the people. Their desire is to have one national Parliament which will deal with all questions affecting Australia as a whole. I do not detract from the good work done by the Parliaments of the States, when I say that the people feel that our powers are too restricted. The measure is necessary to provide machinery for the extension of our powers from time to time as the people think fit to allow it. Another difficulty which occurs to me in connexion with the clause is that the Justices of the High Court may decline to undertake the duty imposed upon them. No doubt they would desire to meet the wishes of Parliament; but they might be averse to giving extra-judicial decisions in regard to points which might ultimately come before the Court. Therefore, I ask the Government to suggest some other way of providing for these certificates. No doubt information of the kind referred to should be afforded when a proposal is submitted to the people; but I think that the Government of the day should be responsible for any statements that are made in regard to the effect of their proposals.

Mr. G. B. EDWARDS (South Sydney) [7.15].—The Minister of Home Affairs in admitting that the honorable and learned member for Angas had brought to bear on this clause a very important criticism voiced the opinion of the Committee generally. It

seems to me that we should hesitate about passing the clause as it stands. To my mind, it confuses the executive and judicial functions of government. Probably an alteration could be made which would meet the destructive criticism levelled against it. We all agree that a machinery Bill is necessary to give facilities for altering the Constitution from time to time as the necessity may arise, and I share the view of the honorable member for Wide Bay that, as time goes on, it will be found that the people must be appealed to for extended powers. At present we are "cribbed, cabined, and confined."

Mr. FISHER.—The people will demand the exercise of larger powers by the Commonwealth Parliament.

Mr. G. B. EDWARDS.—To some extent, they are doing so now, although they are being largely misled as to what we are actually doing. Unless we are given wider powers, we shall not be able to achieve all that was aimed at when Federation was established. The clause may create conflict between the Executive and the Judiciary. A Justice of the High Court might give an opinion quite contrary to that of the Executive of the day, which might find itself frustrated thereby in its desire to put a proposal before the electors. The Governor-General is to cause to be attached to the writ a copy of the text of the proposed law; but as the honorable and learned members for Angas and Corinella have pointed out, it is not necessary that it should be certified to by a Justice of the High Court. The Courts, I believe, generally accept printed copies of Acts as correct pronouncements of the law; but when further confirmation is required a certificate is given by the Clerk of the Parliaments. Similarly, I think that a certificate as to the correctness of the text of a proposed law might be obtained from some officer other than a Justice of the High Court. The Justice is also to certify to the material parts of the Constitution proposed to be altered. But while any one may know what is the intention of a proposed alteration, it is not always possible to say exactly what its effect will be. Often an alteration has a much wider effect than was intended. It is quite contrary to my notions of the proper working of constitutional government to obtain a decision from a Justice before the *pros* and *cons* have been argued in Court by gentlemen learned in the law and representing

of a Justice of the High Court obtained before he had heard argument on the question would therefore be unsatisfactory. In Switzerland, when a proposed law is referred to the people, copies of it are exhibited on railway stations, at post-offices, at the entrances to churches, and at other places, and the electors are asked to say whether they will or will not accept it. An epitome of a proposed law might be something quite different from the law itself.

Mr. FISHER.—I understand that the Justice is to be asked to give, not a decision, but an opinion.

Mr. G. B. EDWARDS.—Yes; and a Justice who has given an opinion in the manner provided for may afterwards be appealed to as to its correctness. What we desire is the expression of the will of the people and the facilitation of reference to them. I am a believer in the referendum. It is often the readiest way out of great political difficulties. It would, however, be impossible to refer such a proposal as the Tariff to the popular vote, and there are other legislative proposals in regard to which it would be equally useless to ask the people to vote yea or nay. Still, I sympathize with the suggestion that the measure should have gone further, and provided for referenda in regard to other than constitutional amendments. Taking the Bill as it stands, I say that any proposal to amend the Constitution must be so simple that it can very well be left to the various political parties to explain to the people what is meant. Then if there is any difficulty in determining what is meant by the Legislature an appeal may with some reason be made to the High Court. I think that the Minister will act wisely if he withdraws the clause until he can give it more consideration. It has been proposed that it should be slightly amended.

Mr. ISAACS.—The Minister of Home Affairs said that he would have no objection to inserting the words proposed by the honorable and learned member for Corinella.

Mr. G. B. EDWARDS.—I do not know that it would be wise even to pass the clause in the proposed amended form. I am quite sure that honorable members on both sides of the Chamber have the same object in view, namely, to obtain an expression of the real will of the people with regard to any proposed amendment; and,

Government should very carefully reconsider the whole question. It seems to me that under the clause as it stands a conflict between the Judiciary and the Executive would be almost inevitable. In the first place, I cannot conceive of any self-respecting Justice consenting to comply with the requirements of paragraphs *b* and *c*. He would immediately foresee the difficulty in which he might be placed by pronouncing an opinion upon a matter which might subsequently come before him for adjudication. I think that in view of the friendly, but at the same time destructive, criticism which has been directed to the provision it should be withdrawn for the present.

Mr. ISAACS (Indi—Attorney-General) [7.47].—I take this opportunity to congratulate the Committee upon the reappearance of the honorable member for South Sydney. I am sure that we are all glad to see him restored to health, and able to devote himself to the careful criticism of such measures as that before us. I recognise that honorable members fully appreciate the fact that this is not a party Bill, but a mere machinery measure, and that it is the general desire to pass it in the best possible form. Our object is to insure that when a change of the Constitution is proposed the people shall have the matter placed before them in the full light of day, and with the best knowledge as to what they are being asked to do. No one could be more removed from political bias than a Justice of the High Court, and the clause was framed having that knowledge in view. I quite appreciate the remarks that have fallen from the honorable members for Wide Bay and South Sydney and the honorable and learned members for Angas and Corinella, and I would suggest that the clause should be allowed to pass for the present with a view to the Minister giving it his best consideration and endeavouring to achieve the purpose aimed at, whilst removing any grounds for objection.

Mr. WILKS.—Why not postpone the clause?

Mr. ISAACS.—I have no objection to postponing its consideration until we reach the end of the Bill; but I wish the matter to be dealt with as soon as possible.

Mr. FISHER.—Why not leave out all reference to the Justices of the High Court?

Mr. ISAACS.—I do not wish to do that, but to leave the whole matter to be reconsidered by the Minister.

Mr. FISHER.—Some honorable members will vote against any proposal to refer the matter to a Justice of the High Court.

Mr. ISAACS.—I shall have no objection to recommitting the clause at the request of any honorable member.

Mr. WILKS.—Why not postpone it?

Mr. ISAACS.—That would amount to the same thing.

Mr. HENRY WILLIS (Robertson) [7.50].—The object of the clause is to insure that the people shall be placed in possession of all the facts relating to any proposed alteration of the Constitution and that they shall understand the effect of the alteration. Certain comparatively unimportant amendments of the Constitution are now in the minds of Ministers, but we have to look a little further ahead. We have to contemplate the possibility of amendments of a far-reaching character being made at some future time, and it seems to me that it would be desirable to place the public in possession of a judicial interpretation of any proposed alteration to which they might be asked to assent. It is intended that the Judge's certificate shall be sent to the Governments of the States, and that it shall be published at the various polling places and other public institutions, so that the electors may become acquainted with the purpose and meaning of the proposed amendment, and, personally, I see no objection to the clause as it stands. If it were altered in the manner suggested by the honorable and learned member for Corinella, so that all that would be required would be a certificate as to the text of the material parts of the Constitution proposed to be altered, and of the material parts of the Constitution as they would be if altered, it should not be necessary to enlist the services of a Justice. All that the Justices would then be required to do would be to perform a purely clerical work, such as might very well be done by the Clerk of the Parliaments, or by some officer in the Department of the Attorney-General.

Mr. ISAACS.—Some judgment might require to be exercised as to the material parts of the Constitution that would be affected—that would not be merely clerical work.

Mr. HENRY WILLIS.—No; but if the Justices are merely to be required to certify

that the parts of the Constitution that would be affected by the proposed alteration have been correctly copied, the provision is unnecessary. On the other hand, in view of the possibility of radical changes being proposed in the future, perhaps as the result of a demand on the part of the people, we should do well to obtain the opinion of a Justice of the High Court as to their effect.

Mr. THOMAS.—We could tell them that.

Mr. HENRY WILLIS.—Yes; but we might propose to insert words which would have a far more serious effect than we anticipated.

Mr. ISAACS.—The objection raised is that the Justices might interpret the proposed amendment without hearing argument, and pronounce an opinion beforehand on a question that might subsequently arise for adjudication.

Mr. HENRY WILLIS.—Yes; but the Minister of Home Affairs is considering the advisability of inserting certain words which would have the effect of calling upon the Justice to merely certify as to the text of the Constitution as proposed to be altered.

Mr. ISAACS.—The material parts of the Constitution affected by the proposed amendment would still have to be selected.

Mr. HENRY WILLIS.—Then, in that case, I think that a Justice of the High Court is the proper person to perform the service required.

Mr. WILKS (Dalleu) [7.55].—I understand that the Attorney-General has consented to recommit the clause?

Mr. ISAACS.—If any honorable member desires that it shall be recommitted. The Minister may decide to recommit the clause without being requested to do so.

Mr. WILKS.—I am strongly opposed to placing the Justices of the High Court in a position superior to that occupied by Parliament. It is perfectly right that the High Court should be called upon to give decisions as to the constitutionality or otherwise of the laws passed by this Parliament, but I do not see any reason why we should ask them to step in beforehand in the manner provided for in the Bill. The honorable member for Robertson has suggested that some radical alteration of the Constitution may be proposed; but I do not suppose that that will take place except as the result of a strong demand

forehand, and the electors would, by the process of public debate, become educated as to the purpose of the proposed amendment. I do not for one moment question the impartiality of the High Court Justices, but I think that Parliament will be able to see that the public are not misled with regard to the effect of any proposed amendment. Two proposals for the amendment of the Constitution have been sprung upon us with lightning-like rapidity. One, in the direction of altering the date of the elections, is comparatively unimportant, but the other is of a more serious character, in that it is proposed to confer upon the Commonwealth power to earmark certain revenue, three-fourths of which the States would otherwise be able to claim. Upon neither of these questions would it be necessary to secure an interpretation of the proposed alterations by a Justice of the High Court. The electors would be sufficiently instructed by those who addressed them from the public platform and in other ways. The Justices of the High Court have already enough to do to decide whether or not the measures placed upon the statute-book are constitutional.

Mr. ISAACS.—That question is not involved. If the people agree to the amendment, it will be constitutional. Our object is to insure that the people shall understand what they are being asked to do.

Mr. WILKS.—We have reached a very sorry position if we have to avail ourselves of the services of a Justice of the High Court to tell the electors of Australia what we propose to do. Parliament is supposed to safeguard the interests of the people, and if we have to drag in the Justices of the High Court in the way that is proposed, we shall find that politicians will throw upon them a lot of the work which we ourselves ought to perform. For that reason I think that the consideration of the clause should be postponed, or that it should be re-committed at a later stage.

Mr. FISHER (Wide Bay) [8.1].—I do not quite appreciate the tone which the Attorney-General has adopted in regard to this matter. If the Government are determined to pass this clause in its present form, those who are opposed to it might just as well vote against it now. I have no desire to allow the Judiciary to intervene in any way between a proposal of this Parliament and the people who are to give a

Court might not be the most competent authority to determine what would be the effect of a proposed alteration of our Constitution. But I contend that the occupant of a judicial office is expected by the public to take less interest in purely controversial matters—

Mr. MAHON.—Is not the question which is involved here purely a legal one?

Mr. FISHER.—In any proposal which may be submitted to the electors for their ratification, the question involved will be a purely political one. When the present Constitution was before the electors, nearly every lawyer expressed his opinion of what its provisions meant, and in two or three instances it has been found that the opinions of the most eminent authorities were erroneous. We cannot expect greater wisdom on the part of the Justices of the High Court than was evidenced by those who have already erred. My objection to the clause is that when once we ask a Justice to express an opinion other than a judicial one, it may be bandied about upon the public platform, and it may ultimately prove to be directly in conflict with a judgment of the Court itself. I hold that the people will demand broad national powers for this Parliament, and consequently the Justices of the High Court ought not to be asked to determine what are the "material parts" of the Constitution proposed to be amended in the case of a referendum which has for its object the enlargement of our powers. Let us suppose, for example, that the High Court Bench were unconsciously influenced by the idea that we intended to reduce the powers of the judicial authority by enlarging our own. They might, in the performance of what they conceived to be a duty, inform the public that the effect of a proposed amendment, if adopted, would be to interfere with the rights of the High Court to protect the States, when, as a matter of fact, the electors themselves might be in favour of the amendment proposed. Honorable members know exactly what the people desire, and if an appeal be made to them direct, accompanied by the explanations which can be offered by those who advocate any particular amendment of our Constitution, no better safeguard could be adopted.

Mr. G. B. EDWARDS (South Sydney) [8.7].—I trust that the Attorney-General will consent to a recommitment of this clause.

Mr. ISAACS.—I wish the honorable member for Wide Bay to understand that we fully appreciate the criticism which has been offered. In the absence of my colleague, however, I do not wish to do more than pledge the Government to take the objections which have been urged into their consideration, and if the Minister deems it desirable to do so, or if honorable members wish it, to recommit the clause. I am not asking any honorable member to commit himself in any way whatever.

Mr. G. B. EDWARDS.—Do I understand from the Attorney-General that, if no honorable member moves that the clause be recommitted, he will take the responsibility of passing it in its present form?

Mr. ISAACS.—No. I wish the Minister of Home Affairs to have time to consider it in the light of the criticism to which it has been subjected. He may think that it is desirable to amend it. After he has announced what is his own view, any honorable member will be at liberty to move that it be recommitted. If the honorable member for Wide Bay wishes to vote against the entire clause—

Mr. FISHER.—It can be re-drafted.

Mr. ISAACS.—I am sure that the honorable member has no objection to the first part of the clause. His object would be attained if he were successful in securing the excision of all the words after "law."

Mr. FISHER (Wide Bay) [8.10]. — I propose to move an amendment because I think it is most undesirable that Bills should be piloted through the House by Ministers other than those who have charge of them.

Mr. ISAACS.—The honorable member knows that my colleague cannot avoid being absent.

Mr. FISHER.—I did not know that, and I am sorry to hear it. Knowing the Attorney-General as I do, I believe that he is strongly in favour of the clause as it stands. I am just as strongly opposed to it. Argument may convince me of my error, but I shall not permit myself to be "wheedled" into the position of agreeing to pass the clause upon the understanding that it may be recommitted at the option of the Minister of Home Affairs. This is a most important matter. How are the people to obtain any conception of what we are doing if we do not understand what we are doing ourselves? It is incumbent upon the Government to show the necessity for this proposal. Too many of these important machinery measures have

been permitted to slip through without discussion. I will presently move—

That all the words after the word "law," first occurring, be left out

Sir JOHN QUICK (Bendigo) [8.13].— I think that there is considerable force in the contention of the honorable member for Wide Bay. I am puzzled as to what are to be the functions of the Justice of the High Court under this clause, and of the points as to which he is to certify. It is quite clear that he cannot give an interpretation of the Constitution. That can only be given by him in a case arising between two parties which has been argued before the Court. At the same time, I agree with the Attorney-General that it is necessary that there should be some kind of statement submitted in connexion with any proposed amendment of the Constitution, and I would suggest to the honorable member for Wide Bay that he should move to strike out the words "a Justice of the High Court," with a view to inserting in lieu thereof the words "the Attorney-General" or "the Clerk of the Parliaments." Certainly, I would exclude the interference of a Justice of the High Court in a matter in which he has no functions to discharge, and in which he possesses no jurisdiction.

Mr. FISHER (Wide Bay) [8.15]. — I have no desire to embarrass the Government in this matter. At the same time, I hold that those who are opposed to this clause should be afforded an opportunity of clearly expressing their dissent from it. I accept the suggestion of the honorable and learned member for Bendigo, and will move—

That the words "a Justice of the High Court," be left out, with a view to insert in lieu thereof the words "the Attorney-General."

Mr. ISAACS (Indi—Attorney-General) [8.16]. —The only desire of the Government is that an unprejudiced and unbiased statement shall be placed before the people, so that they may know what they are asked to do. An amendment of the Constitution is a very serious matter. I repeat that I fully appreciate the difficulties that have been mentioned with regard to the proposal that a certificate shall be issued by a Justice of the High Court, but, at the same time, honorable members should understand that if the amendment be accepted the work will be intrusted to a member of the Government of the day. I believe that the Attorney-General, whoever he may be, will always do his best to put before

the public a fair view of the position, but honorable members must not forget that he would have political views—

Mr. WILKS.—Does the honorable member think that he would try to conceal any fact?

Mr. ISAACS.—I do not think so; I should say that he would have a full appreciation of his position. An Attorney-General, speaking on the platform in respect to some political proposition, occupies a position very different from that which he holds when he is giving a legal opinion. I believe that the Attorney-General would do his best, and would succeed in putting the position fairly before the people; but, at the same time, if the amendment were carried, we should have to take the risk of having his political views—and even his legal opinion might be wrong—placed before the people. In that way the people might be misled. I still desire that the Government should have time to further consider this clause.

Mr. FISHER.—Assuming that a Justice gave a certain decision on one of these questions, and the Attorney-General of the day held a different view, would it not be the duty of the latter to make known the difference of opinion?

Mr. ISAACS.—That may be; but to save time, I desire that the Government should have a further opportunity to consider this matter.

Mr. FISHER.—If the Minister wishes to postpone the clause, I will withdraw my amendment.

Mr. ISAACS.—I am prepared, if the clause is passed as it stands, to recommit it at the request of any honorable member.

Mr. KELLY (Wentworth) [8.19].—I think that the Attorney-General will recognise that, having in view the friendly attitude of honorable members on all sides towards this Bill, the best course for him to pursue is to postpone the consideration of this clause. I am anxious that the Bill be dealt with as soon as possible. This is the only contentious clause which it contains, and as there is some difficulty with regard to it, the most straightforward course to pursue is to postpone its consideration.

Mr. ISAACS.—I have offered what is equivalent to a postponement.

Mr. KELLY.—I am sure that the Attorney-General would not throw away anything if he agreed to postpone the clause.

Mr. JOHNSON (Lang) [8.20].—I am not satisfied that the amendment proposed by the honorable member for Wide Bay is a wise one.

Mr. FISHER.—Suppose that we omit the words "Justices of the High Court," and, for the present, leave a blank.

Mr. JOHNSON.—For the reasons given by the Attorney-General, I think it would be better to allow these matters to be dealt with by a Justice of the High Court than by the Attorney-General. The Minister has pointed out that the Attorney-General is, after all, a politician, and necessarily has certain political leanings which must, more or less, colour his views. He might be unconsciously biased.

Mr. FISHER.—If he gave a misleading certificate, the other side would take action, and the people would be left to determine the matter for themselves.

Mr. JOHNSON.—I think that we should, as far as possible, remove the decision of these matters from the sphere of party politics. The clause ought either to be postponed or the Committee should accept the undertaking of the Attorney-General that if it be passed as it stands, he will consent to its recommendation.

Mr. G. B. EDWARDS (South Sydney) [8.22].—I do not know whether it is in the nature of all Governments to suspect "the candid friend," but if the Attorney-General would accept the advice of his candid friends and postpone this clause, the Bill would soon be dealt with. If the honorable and learned gentleman had a little more of the *suaviter in modo*, and a little less of the *fortiter in re*, we should make more headway. I have from the first agreed with the honorable member for Wide Bay that the clause as it stands is objectionable; but if his amendment were agreed to I am afraid that we should be placed in an even worse position. I should be quite content to allow the work provided for in this clause to be a purely executive act. If the Executive of the day issued a grossly misleading statement with respect to a proposed amendment of the Constitution, there would not be wanting hundreds of hostile critics who would expose them, and they would have to pay the penalty. We should not have the same scrutiny of a statement issued by a Justice of the High Court, who might express an *ex cathedra* opinion which on hearing argument, he might be disposed to reverse. I recognise that the Government wish to

We could tell the people what an amendment of the Constitution was, but in many cases, it would be almost impossible to show what the probable effect would be. There have been various amendments of written Constitutions—in the United States and elsewhere—the effect of which has been quite different from that suggested by both their supporters and opponents.

Mr. ISAACS.—And which the Full Bench of the Supreme Court at that time could not foresee.

Mr. G. B. EDWARDS.—Then how could we expect a Justice of the High Court to be able to certify to the effect of a proposed amendment of the Constitution? The Government are proposing that the Judiciary shall discharge a function which the Constitution never contemplated—that it shall do something which five out of six Justices would refuse to do. The Minister ought to postpone the clause. This is a non-party measure. Every one desires that the utmost facility shall be afforded for amending the Constitution with the least possible misunderstanding; but several honorable members think that the proposal of the Government may not only land us in trouble, but place us in a ludicrous position. I am not at all clear as to what would be the result of placing this work in the hands of the Attorney-General of the day.

Mr. FISHER.—I am not strong upon that point.

Mr. G. B. EDWARDS.—I repeat that it would be better to make the certificate an executive act. The Government of the day would then be responsible. On the other hand, a Justice of the High Court would think nothing, on hearing argument, of reversing his opinion. If one of the members of the High Court Bench issued a statement as to the probable effect of a proposed amendment of the Constitution, there would possibly be little hostile criticism of it, but on the other hand, if a misleading opinion were given by the Executive, it would be subjected to the criticism of thousands. The Minister would do well to postpone this clause until to-morrow, when after consulting his colleagues he would doubtless be able to bring forward a satisfactory amendment.

Mr. McCOLL (Echuca) [8.20].—I fail to see why such strenuous opposition should be shown to this clause. In submitting any proposed amendment of the Constitu-

its probable effect will be. Surely the people are entitled to the very fullest information with regard to these very important questions. If the effect of a proposed amendment of the Constitution is certified to by a Justice of the High Court, the whole matter will be placed entirely beyond the reach of party considerations, and the people will feel safer than they would if the certificate were issued by some political officer of the day.

Mr. MAHON (Coolgardie) [8.30].—There is a good deal of force in the arguments adduced against the clause as it stands. There could be no amendment of the Constitution more important than the Constitution itself, and yet it was adopted in the absence of any Justice of the High Court to certify as to the exact effect of any of its provisions. Now that the structure has been erected, and all that is needed is to build an additional storey, or to repair a leak in the roof, it is proposed to bring into requisition the elaborate machinery necessary for obtaining an opinion from a Justice of the High Court as to the effect of the proposed alteration. I think that as the people were able to frame a Constitution, notwithstanding its imperfections, without assistance of this kind, they may be allowed to judge for themselves of the effect of proposed alterations. If it is necessary that some authority should declare their effect, why should not that declaration be made by Parliament? A proposed alteration would be brought forward by the Ministry of the day, criticised by the Opposition and members generally, and after agreement by Parliament presented to the public, so that its full effect would be thoroughly understood. This declaration by Parliament in its favour seems to me to be of more importance than the obtaining of an opinion from a Justice of the High Court as to the effect of the proposed alteration. If the Ministry intend to adhere to the provision, why should it not be amended so as to require an authoritative decision from the High Court as to the effect of the proposed amendment?

Mr. TUDOR.—It might not be ready in time for the election.

Mr. MAHON.—Then the election could wait. The country would not have suffered if it had to wait longer for some of our legislation.

Mr. MAHON.—I think so.

Mr. ROBINSON.—It is not the practice to do so.

Mr. MAHON.—We are initiating new practices every day. The honorable and learned member, no doubt, venerates all the usages of the profession to which he belongs; but I apprehend that if Parliament decided upon this arrangement the High Court would fall in with it, and would give authoritative decisions without counsel appearing before it. If the Ministry are not prepared to alter the clause so that a decision shall be given by the High Court, instead of by a single Justice, I think that we should provide that proposed alterations of the Constitution should be interpreted by Parliament itself.

Mr. WILKS.—Why does the honorable member wish to supplant Parliament?

Mr. MAHON.—If I had to choose one of two alternatives, I should say, "Let Parliament interpret for the people the proposed alterations which are to be referred to them," and, if an amendment is moved in that direction, I shall support it.

Mr. HENRY WILLIS (Robertson) [8.35].—The honorable member for Coolgardie suggests that the decision provided for in the clause should be pronounced by the High Court rather than by a Justice of the Court, and he stated that, when asked to vote on the draft Constitution, the people had no information as to its probable effect. I would point out, however, that very valuable information was imparted to them by a pamphlet issued by the honorable and learned member for Bendigo, and by another pamphlet issued by Mr. Garrahan, who now is the Secretary to the Attorney-General's Department. The Minister is proposing an improvement on what was done then, and has provided in the clause that a Justice of the High Court shall tell the people what the effect of a proposed alteration of the Constitution would be. I see no objection to the adoption of the suggestion of the honorable member for Coolgardie that the decision should be obtained from the High Court instead of from a Justice of the High Court. There is an objection to accepting the interpretation of the Attorney-General, because, while that interpretation, as the work of a lawyer, may be very clear and reliable, it may be given a party colour by the fact that it is the interpretation of a politician.

the present Attorney-General in regard to various constitutional points, and while no doubt the Attorney-General of the day would act conscientiously, there would always be a danger of political influence. There can be no objection to asking the High Court, or a Justice of the High Court, to tell the people what the effect of a proposed alteration of the Constitution would be. The decision so obtained would be sent to the Governors of the States, and transmitted by them to the returning officers, to be published for the information of the electors. I do not think that, in a matter of this kind, the advice of laymen would be very valuable. What, for instance, would be the value of my opinion as a legal interpretation of a proposed amendment of the Constitution? In a matter of this kind, Parliament would, no doubt, be influenced largely by the opinion put before it by the Attorney-General of the day.

Mr. MAHON.—As Parliament is capable of making laws, why should it not be capable of saying what they mean?

Mr. HENRY WILLIS.—Legislators are not lawyers. We require men learned in the law to interpret our Acts. It not infrequently happens that, after an Act has been passed, a Court decides that the effect of its provisions is quite contrary to what was intended. Legislators are not necessarily lawyers, and, in my opinion, lawyers are the worst legislators. What the people need here is common-sense, interpreted by laymen. What is equity but common-sense?

Mr. BRUCE SMITH. — The honorable member cannot have had a suit in equity.

Mr. HENRY WILLIS.—Yes, I have had. When I gave my opinion on a certain matter, my counsel, who was one of the leading counsel in New South Wales, said, "That is a layman's opinion; it is common-sense, and equity is common-sense"; while the learned Judge took the same view. I think that the Attorney-General has been badly treated. He has asked the Committee to pass the clause, promising to recommit it if, later on, any one desires a recommittal. But his friends and supporters say, "No. We intend to humiliate you. You must withdraw the clause, or we shall amend it now." The effect of withdrawing the clause would be practically the same as that of passing it

with the promise to recommit. What the Attorney-General wishes to do is to consult his colleague, with a view to making a recommendation. He is acting fairly and reasonably, and, although I am a member of the Opposition, I shall support him. If I were he, I would not tolerate the attitude which has been assumed by members on the Ministerial side of the Chamber.

Mr. SALMON (Laanecoorie) [8.42]. — The discussion shows that either the clause should be amended by leaving out all the words after the words "proposed law," or it should remain as it stands. Any statement to the electors as to the effect of a proposed alteration must, to be of value, proceed from some authority other than the Government or Parliament. It has been suggested that the Attorney-General of the day should put before the people a statement of the effect of the proposals to be submitted to them by referendum. But a grave objection to that course is that he would probably be the author of the proposed alteration. He must be a partizan, and would probably have formed an opinion before the alteration was submitted to Parliament. Is it likely that he could do otherwise than express that opinion again when he came to prepare a statement for the information of the electors?

Mr. FISHER.—The Attorney-General is, in legal matters, entirely free from Government control.

Mr. SALMON.—I am speaking of the Attorney-General as a member of the Government. His statement would be practically the Government pronouncement as to the effect of a proposed alteration. I admit that the arrangement provided for in the clause looks like an attempt to secure from the High Court beforehand an opinion in regard to matters which may subsequently be submitted to it. It is, however, better to obtain the opinion of the High Court than merely to submit a proposed alteration without any statement, or with a partizan statement, of its effect. We should secure the opinion from the highest judicial authority — a Justice of the High Court or, what would be better, the High Court itself. With regard to the statements made by the honorable member for South Sydney as to the effect of alterations made in the Constitution of the United States of America, I would point out that we have already profited by the mistakes made in that country. We have a much better Constitution than

that originally framed in the United States, and any amendments that may be proposed will not be so much in the direction of altering the spirit of the Constitution as of rendering it more workable. I would suggest that the Attorney-General has made a very fair offer, which, in the absence of the Minister of Home Affairs, might reasonably be accepted.

Mr. FISHER (Wide Bay) [8.46].—The honorable member for Laanecoorie has no doubt reasoned admirably from his point of view. I would point out, however, that no question relating to the alteration of the Constitution could possibly be presented except in a party spirit. The matter would no doubt be fully explained to the electors before being introduced into Parliament. Then it would be debated by the most talented representatives of all parties, and the purpose of the amendment would be made abundantly clear. I differ altogether from the view taken by the honorable member with reference to the position of the Attorney-General when he is called upon to advise the Government upon purely legal questions. Upon mere matters of law, the Government must accept the opinion of the Attorney-General. Otherwise he could not be regarded as fit to occupy that office.

Mr. SALMON. — The Government would not propose an alteration of the Constitution with which the Attorney-General did not agree.

Mr. FISHER. — The Attorney-General might or might not be in thorough accord with the views of his colleagues upon matters of public policy, but his view as the chief legal adviser of the Crown must be accepted upon matters of pure law. A Justice of the High Court is no more likely to give a sound opinion than is the Attorney-General. The Justice, however, would be placed at a great disadvantage as compared with the Minister, because the Attorney-General would be able to take the public platform and defend his view against that of the best and ablest men upon the other side. If a Justice of the High Court were to give an opinion with regard to some matter which was referred to the people, and it was afterwards considered that he had made a mistake, public discussion would take place, and the High Court Bench would at once be dragged into the political arena, in spite of everything that might be done to prevent such an undesirable state of affairs. After all, the opinion of a Justice

of the High Court would be of no more value than that of the Secretary of the Attorney-General's Department. Is it to be supposed for one moment that a proposal for an amendment of the Constitution would be sent forward without any comment for the opinion of a Justice of the High Court? Certainly not. The Justice would be brought into close touch with the Attorney-General, and would receive the fullest assistance from the officers under that Minister. No Justice would take it upon himself to make himself acquainted with the whole of the details of the case without some assistance.

Mr. SALMON.—It would not be his business to do that.

Mr. FISHER.—He would have to set out not only the text of the proposed law, but also the material parts of the Constitution as they would be affected if the proposed law were passed. The Attorney-General would of necessity have to communicate with the Justice.

Mr. FULLER.—The whole matter would be put before the Justice by the Attorney-General.

Mr. FISHER.—Yes, and political opinion would come in between the Justice and the Attorney-General.

Mr. SALMON.—Not at all. The Attorney-General would merely state a case, and the Justice would give his opinion.

Mr. FISHER.—Does the honorable member for Laanecoorie wish us to believe that the Attorney-General is a partisan when he gives an opinion in the full light of day, and that he is merely a judicial officer when he is behind the scenes? Why do we have open Law Courts? In order that justice may be administered in the light of day. I do not suggest that any high official of the State would prostitute his position, but certain methods have led to safety, and we should be wise to continue to adopt them. The Attorney-General would be no less a political partisan when he was discussing the matter with the Justice, than he would be at any other time.

Mr. SALMON.—Why should the Attorney-General discuss the matter with the Justice?

Mr. FISHER.—Because that would be inevitable. The Attorney-General would at least have to submit a statement to the Justice. It is not to be supposed that the Bill would be forwarded to the Justice

with a mere statement, "Here is a Bill; how does it affect the Constitution?"

Mr. SALMON.—Yes, it is.

Mr. FISHER.—Nothing of the kind. Apart altogether from that question, let honorable members reflect that we might be placed in a very humiliating position if the Justice said that he found nothing in the Judicature Act that called upon him to perform the duties imposed by the Bill, and refused to furnish a certificate. I am entirely opposed to the High Court being interposed in any way between the Parliament and the people. The mere form of the amendment is nothing to me. My view is that it is not for the Justices of the High Court to express any opinion as to what we are doing or leaving undone. It is enough for them to give their decision afterwards as to the constitutionality or otherwise of the statutes that we pass. If the electors require that our powers shall be extended it will be our business to carry out their wishes, irrespective of any reference to the Justices of the High Court. I admit that in the absence of the Minister of Home Affairs the position of the Attorney-General is somewhat embarrassing, but that is not our fault. I understand that the Attorney-General has distinctly promised that he will agree to the recommitment of the clause, and under the circumstances I do not feel disposed to raise any difficulty. At the same time, I think that the clause should be withdrawn.

Mr. SPENCE (Darling) [8.57].—As a layman, I cannot see the necessity for enlisting the services of a Justice of the High Court in connexion with a referendum. It would appear from the wording of the clause that it is intended to call upon a Justice to act as a draftsman for us, and it seems to me that that work might well be performed by the Government. We might with safety allow any matter to be referred to the people after it had been discussed by Parliament. No additional security would be afforded under the arrangement proposed. Any subsequent decision would not be in the slightest degree influenced by the opinion of a Justice or of the High Court itself as embodied in the certificate accompanying the writ of reference. It is not their function to decide matters for us beforehand.

Mr. JOHNSON.—The clause provides that they shall offer an interpretation of a "proposed law."

Mr. SPENCE.—But I do not see that any value would attach to such an interpretation. The better plan would be for the Government to present a statement to Parliament, to have it openly debated and finally submitted to the people. Then if any dispute arose, the Court, in the exercise of its ordinary functions, would decide what was right. Let us suppose that a Justice of the High Court framed, for presentation to the electors, a statement concerning a proposed amendment of the Constitution with which the Attorney-General of the day did not agree. Under such circumstances, a great difficulty would arise. In my opinion it would be better for us to adhere to the principles of responsible government.

Mr. JOHNSON.—The honorable member means that the statement prepared should be approved by Parliament?

Mr. SPENCE.—Exactly.

Mr. SALMON.—That only means by a majority of honorable members.

Mr. SPENCE.—We should undertake this work ourselves and accept responsibility for our action. If a Justice of the High Court prepared a statement regarding the effect of a proposed alteration of our Constitution, if assented to, and Parliament did not agree with his presentation of the case, it would have no power to alter it.

Mr. SALMON.—The statement would not then be submitted to the people. It is submitted to them by the Governor-General.

Mr. SPENCE.—My point is that, under the clause, a Justice of the High Court would have to frame it. The Governor-General would merely be the medium through whom it would be submitted to the people.

Mr. SALMON.—But if a Justice of the High Court drafted a wrong presentation of any case, the Government would not submit it to the people.

Mr. SPENCE. — Does the honorable member seriously suggest that the Governor-General is to assume the rôle of a dictator?

Mr. SALMON. — The word "Governor-General" is used in the clause, and it means the Government of the day.

Mr. SPENCE.—But a Justice of the High Court would have certain functions to perform. I think that the honorable member must have in mind the "Governor in Council." But, assuming that anybody had the power to review the form in which

a case was presented by a Justice of the High Court, what sort of position would arise?

Mr. SALMON.—The honorable member suggested that the Attorney-General of the day might present a different statement to the people.

Mr. SPENCE.—I made no such suggestion. I stated that the Government of the day ought to present a statement to Parliament for its approval, and that it should then be submitted to the electors. I also stated that a very awkward position would arise if a Justice of the High Court were to prepare a statement regarding a proposed amendment of the Constitution with which the Attorney-General of the day did not agree. I think that it would be better if Parliament accepts the responsibility which properly attaches to it. In my opinion it is just as easy to secure finality in that way.

Mr. WILKS (Dalley) [9.8].—An hour ago I urged a plea upon behalf of responsible government which the honorable member for Darling has just indorsed. I am satisfied that the view which I then presented is the correct one. I suggest to the honorable member for Wide Bay, who has evinced an extraordinary interest in this clause, that he should move to strike out all the words after "law" where it first occurs. I hold in my hand the original draft of our Constitution, which consisted of 128 clauses. It was put before the electors of Australia, but can it be urged that any considerable number of them—apart from close students of constitutional law—perused its different provisions? Certainly not. The honorable member for Robertson suggested that the text of a proposed law involving an amendment of the Constitution might be posted in conspicuous places so that the electors might be seized of its effect. We might just as well paste it in our hats. Is it reasonable to believe that the public of Australia would look into the crown of their hats for the purpose of reading what a Justice of the High Court had said in regard to a proposed amendment of the Constitution? If what is required is merely a synopsis of any amendment proposed, why cannot it be prepared by the Clerk of the Parliaments or by the Parliamentary Draftsman? I certainly think that if the clause be passed in its present form we shall be superseding Parliament in a way that we ought not to do. Any proposal to amend the Constitution will have to be fought out in this Chamber,

and if it is of serious import, close attention will be given to it. There will be debates upon it, and the press will take good care to insure that the rights of the people are not infringed. I maintain that we ought to shoulder our responsibilities in this connexion.

Mr. FISHER.—Would the public understand a statement framed by a Justice of the High Court any better than they would understand a statement prepared by ourselves?

Mr. WILKS.—Exactly. I am glad that the honorable member for Darling has taken up the position of a strong advocate of the principles of responsible government. If there be any legal difficulty in the way of giving effect to the proposal of the honorable member for Wide Bay, the Attorney-General should have pointed it out. He has not done so. He has not shown that, under its operation, the rights of the public are likely to be invaded. In my judgment, nothing is to be gained by a consultation between the Attorney-General and the Minister of Home Affairs.

Amendment, by leave, withdrawn.

Mr. ISAACS (Indi—Attorney-General) [9.14].—It is only just to the honorable member for Wide Bay to say that I will undertake—in the event of the clause being passed in its present form—to recommit it.

Mr. WILKS (Dalley) [9.15].—I have no desire to labour this question, and I do not wish to put the Committee in an awkward position. If the Attorney-General will not agree to give effect to the wish of the honorable member for Wide Bay, I will move to-morrow that all the words after “proposed law” be left out. If the Constitution is to be amended as frequently as some honorable members suggest, and the people are to be expected to carefully look into the details of proposed amendments, the Federation, instead of being regarded as a blessing, will be considered a curse. The people desire to have some time to earn a living for themselves, and do not think Parliament should expect them to inquire into all these details. The Constitution was not considered line by line by the people. They looked at its general effect, and were satisfied. The position will be the same in regard to any amendment of the Constitution, and the people in casting their votes will be largely influenced by party views and press criticism. I do not believe in the intervention of a Justice of the High Court in these matters,

which ought really to be left to public agitation.

Mr. JOSEPH COOK (Parramatta) [9.16].—I am glad that the Attorney-General has taken a reasonable view of this matter.

Mr. ISAACS.—I offered two hours ago to agree to the clause being recommitted if it were passed in its present form.

Mr. JOSEPH COOK.—The proposal that we should formally approve of the clause is not satisfactory.

Mr. ISAACS.—It is much better that the Committee should decide the matter after they and the Government have had full time to consider it.

Mr. JOSEPH COOK.—I think that the clause ought to be reconsidered, and that the statement for which it provides should not be issued, either by a Justice of the High Court, or even by the Government of the day. The certificate should issue from the Clerk of the Parliaments. He alone should certify that the proposed law has been passed by this Legislature, and represents the matured consideration of both Houses.

Mr. SALMON.—The intention is that the effect of the proposed alteration of the Constitution shall also be shown in the certificate issued by the Justice.

Mr. JOSEPH COOK.—I do not think that anything of the kind ought to be done. I will undertake to say that the honorable member would have no difficulty in finding three Justices, one or two of whom would set to work to show very easily that the certificate was not correct, and did not represent the law. Moreover, in spite of any statement by a Justice, we should be bound to interpret the proposed law for ourselves, and to show what its political bearing would be. Therefore, nothing would be gained from the point of view of public utility—on the contrary, something would be lost—if we began to project the Justices of the High Court into our political quarrels. That is the very last thing we ought to do. I do not think that a Justice is necessarily the best judge of the political bearing of any question that goes before the people, and which we have to determine for ourselves, according to our party and political views.

Mr. SALMON.—Then the honorable member suggests that a proposed alteration of the Constitution should go before the people, just as the Constitution itself went before them.

heard expressing one view in regard to it, whilst I gave utterance to another.

Mr. HUTCHISON (Hindmarsh) [9.21].—It would be well to postpone the further consideration of this clause. I certainly do not agree with the amendment suggested by the honorable member for Dalley. It goes too far. To my mind, it is not sufficient that the Governor-General may cause to be attached to the writ a copy of the proposed law. That copy should be certified to be correct, and I should leave with the Government of the day the responsibility of issuing the certificate.

Mr. JOSEPH COOK (Parramatta) [9.23].—I wish to show the honorable member how foolish it would be to leave a matter of this kind to the Government. Is he not aware that only the other day both the Prime Minister and the Minister of Trade and Customs assured me most solemnly that when the preferential trade agreement with New Zealand was being drafted they fought for a day to secure a remission of the duty on oranges. As a matter of fact, they did not know that there is no duty on oranges.

Mr. HUME COOK.—And the honorable member did not know that they were free until he spoke to his constituents about the matter.

Mr. JOSEPH COOK.—Quite so; and when I sought for information from the Government, the Prime Minister and the Minister of Trade and Customs told me that they had battled for a whole day to secure the remission of the duty. It was left to some of the fruit-growers in my constituency to tell me that there is no duty on oranges. If the Government knew so little about a matter of that kind, how could we trust them to certify to the matters dealt with in this clause?

Mr. HUTCHISON.—Because their certificates would come under the review of the House?

Mr. JOSEPH COOK.—No. After the proposed law had been passed, the Governor-General would take action, and this certification would not come before the House. I do not think that the Government should have this responsibility intrusted to them. It would involve too great a temptation, especially when the matter was one with which some political feeling was associated. It would be quite as inappropriate for the Government to certify as it would be for a Justice to do so. We have in the Clerk of

Parliament as such. He stands outside party considerations, and is as willing to help one side as the other, without any party bias or suspicion of such a thing. I think, however, that we might allow the clause to be formally passed, on the understanding that the Government undertake to recommit it.

Mr. ISAACS.—Hear, hear.

Mr. FISHER.—Any recommittal that may be necessary to effect consequential amendment will be made?

Mr. ISAACS.—Should there be any alteration in the clause requiring consequential amendments in other clauses, those clauses will also be recommitted.

Clause agreed to.

Clause 7 agreed to.

Clauses 8 and 9 agreed to.

Clause 10 agreed to.

Clause 11 (Voting on same day throughout Australia).

Mr. JOSEPH COOK (Parramatta) [9.27].—Does the Attorney-General consider that this clause is necessary—that it is necessary to enact that the vote shall be taken on the same day throughout Australia? Is not that question governed by the Electoral Act?

Mr. ISAACS.—No. That Act relates to the election of members.

Mr. JOSEPH COOK. — I understood that the Electoral Act was to apply to this Bill.

Mr. ISAACS.—There is no general statement in the Bill that it shall apply.

Mr. JOSEPH COOK.—But I think if we had a general reference to the Electoral Act, on the lines adopted in clause 4, the whole matter would be much simplified.

Mr. ISAACS (Indi—Attorney-General) [9.29].—I quite agree with the honorable member for Parramatta that it is desirable to make the Bill as simple as possible; but it is better still that we should be sure of its effect. So far as possible we have incorporated by general reference the provisions of the Electoral Act, but where we were not sure that that course could be safely adopted, we made a specific reference, which, I think, is after all the best thing to do.

Clause agreed to.

Clause 12 agreed to.

Clause 13 (one vote only).

Mr. FISHER.—Will a person who votes more than once, or votes fraudulently, be

Mr. ISAACS. — Clause 4, sub-clause 1, provides for the application of the provisions of the Electoral Act relating to the punishment of electoral offences.

Clause agreed to.

Clauses 14 to 18 agreed to.

Clause 19 (Action at scrutiny).

Mr. JOSEPH COOK (Parramatta) [9.32].—Are the provisions of the clause a replica of the machinery of the Electoral Act, or are they entirely different? To my mind, the two sets of machinery should be as nearly alike as possible. If the taking of a referendum is to be done on the same day as the election of members of Parliament, and different machinery is used for the ascertainment of the results of the two ballots, there will be as much confusion on the part of those conducting operations as there would be if two systems of balloting were provided for the election of Members of the House of Representatives and of members of the Senate. One of the strongest reasons urged against the Preferential Ballot Bill was that it applied one system of voting to the election of Members of the House of Representatives, and another to the election of senators, which, it was said, would create confusion. But the confusion arising because of the difference there referred to would be as nothing compared with that which would result if the system of counting and scrutinizing the votes taken during a referendum were different from the system adopted in connexion with the election of members. I suggest that the Government should simplify this machinery as much as possible, and make it as nearly as it can be made the same as that adopted in connexion with the election of Members of Parliament. There may be a reason for the elaboration of the present electoral machinery, and, if so, I should like to know what it is. We should not depart from our present procedure unless we cannot avoid doing so. It must be remembered that the average presiding officer, poll clerk, or scrutineer, is not more nor less intelligent than the average voter, and if two systems of voting would be likely to confuse the average voter, so two systems of scrutineering and counting would be likely to confuse the average official.

Sir JOHN QUICK (Bendigo) [9.35].—The Bill provides for the taking of a

referendum. The proposed machinery of the Act shall, as far as practicable, apply to the taking of a referendum, but under clause 5, a writ for a referendum may be issued at any time, and under clause 11 the voting must take place on the day appointed by the writ. There may be urgent reasons for taking a referendum on some other occasion than a general election.

Mr. ISAACS.—Under the Constitution a proposed alteration must be submitted not more than six months after it has been passed by Parliament; so that it may not be possible to wait until a general election.

Sir JOHN QUICK.—There are several strong reasons why latitude should be allowed. It might be very inconvenient if a referendum could be held only on the occasion of a general election. A national emergency might demand an immediate appeal to the people. The Bill has been drawn with a view to that possibility, and the elaboration of the machinery clauses has been necessary to carry that intention into effect.

Mr. ISAACS (Indi—Attorney-General) [9.38].—It will be desirable, where practicable, to save expense and trouble by making a referendum and an election coincident, but section 128 of the Constitution provides that proposed laws for the alteration of the Constitution—

must be passed by an absolute majority of each House of the Parliament, and not less than two nor more than six months after its passage through both Houses the proposed law shall be submitted in each State to the electors qualified to vote for the election of members of the House of Representatives.

As the honorable and learned member for Bendigo has pointed out, a sudden emergency might demand an immediate appeal to the people, and if the referendum could not be taken except during an election, the House of Representatives would have to be dissolved. There would be no saving of expense in an arrangement of that kind. We are compelled by the Constitution to make the measure elastic in regard to the time at which a referendum may be taken.

Mr. HENRY WILLIS (Robertson) [9.40].—There is a great deal in what the honorable member for Parramatta has said, that if the machinery provided for the taking of a referendum is similar to that provided under the Electoral Act, it will be easy to submit a proposed alteration of the

Constitution to the people on the occasion of an election, but if two sets of machinery are provided confusion will arise. The machinery in both cases should be similar.

Mr. ISAACS.—It is similar; but we cannot adopt the machinery of the Electoral Act *en bloc*. For instance, it would be absurd to provide for the appointment of scrutineers by candidates.

Mr. JOSEPH COOK (Parramatta) [9.42].—The statements of the Attorney-General and the honorable and learned member for Bendigo do not touch the point which I raised. If the two sets of machinery provided are made practically the same, or if the same kind of machinery is used for both purposes, a referendum can be taken either during an election or at any other time. In 99 cases out of 100 Parliament will take care that the referendum is taken during an election, because to take it at any other time would cost at least £50,000; but the fact that a contingency might arise requiring the submission of a question to the people while Parliament was sitting does not affect the point which I raised in regard to the character of the machinery used. I can well imagine a degree of political feeling upon a question affecting State rights which would make the scrutiny of votes as necessary as it is in regard to the election of Members of Parliament. If political feeling ran high, scrutineers would be crammed into every booth, and what would apply to the scrutiny of votes in the case of an ordinary election would apply with tenfold greater force if a national question of the greatest importance was being decided. Therefore, it seems to me that the more nearly we can adhere to our ordinary electoral machinery the better it will be for all concerned. We shall certainly save expense and avoid confusion.

Clause agreed to.

Clause 20 (Informal ballot-papers).

Mr. GLYNN (Angas) [9.46].—It is almost too late to suggest an alteration of principle, but it strikes me that we are over careful in making provision against the identification of the voter. What is the object of insisting upon full secrecy in regard to a vote upon a question relating to the amendment of the Constitution, in connexion with which the electors will be called upon to discharge a high public duty—a duty which should be exercised with the utmost openness? The Bill has

apparently been drafted upon the assumption that the same secrecy should be observed in this case as in connexion with an ordinary election, and it seems to me to be absurd to provide that a vote shall be informal if, for instance, it bears upon it some mark which might enable any person to identify the voter.

Mr. ISAACS.—The vote will not be declared informal unless the ballot-paper bears some mark not authorized by the Act.

Mr. GLYNN.—That does not affect my point. I do not think that the provision is necessary.

Clause agreed to.

Clauses 21 and 22 agreed to.

Clause 23 (Indorsement on writ by Commonwealth electoral officer).

Mr. JOSEPH COOK (Parramatta) [9.49].—The wording of this clause seems somewhat peculiar. It is provided that the electoral officer shall indorse on his copy of the writ a statement showing that as regards his States—

(a) The number of votes given in favour of the proposed law.

(b) The number of votes given not in favour of the proposed law

Would it not be better to use the words “against the proposed law”?

Mr. ISAACS.—We have adopted the same language in clause 21.

Clause agreed to.

Clauses 24 to 26 agreed to.

Clause 27 (Requisites of petition).

Mr. GLYNN (Angas) [9.50].—I am not quite sure what the grounds of objection to a referendum would be. I cannot imagine any ground except that the requisite majority has not been obtained as required by the Constitution. Perhaps the Attorney-General may have something else in his mind in the shape of informalities that may arise within the meaning of the Bill. It might be well to prescribe upon what grounds besides that mentioned in the Constitution a referendum could be challenged.

Mr. ISAACS (Indi—Attorney-General) [9.51].—Section 128 of the Constitution provides that when a proposed law is submitted to the electors, the vote shall be taken in such manner as the Parliament shall prescribe. We are now prescribing the manner in which the vote shall be taken. If it is not taken in that manner, the law in favour of which the vote is given will not be valid, and we are merely

providing a means by which the validity or otherwise of the law may be tested before the High Court.

Clause agreed to.

Clauses 28 to 32 agreed to.

Schedule.

Sir JOHN QUICK (Bendigo) [9.53].—I should like to direct attention to the form proposed for the referendum ballot-paper which I think would lead to a number of informal votes. It would be far better to follow the procedure adopted in connexion with the referendum on the draft Constitution. If the word "Yes" and "No," apart from any squares, were printed on the ballot-paper, and the affirmative voter were required to strike out the word "No" and the negative voter were required to delete the word "Yes," the process would be simple, and no unnecessary confusion would arise.

Mr. WATSON.—We have adopted the plan of putting a cross opposite the name of the candidate for whom the elector desires to vote.

Sir JOHN QUICK.—As applied to ordinary election contests, that plan may be very good, but in regard to a question upon which the electors are required to say merely "Yes" or "No," I believe that the old method to which I have referred would be preferable. Honorable members may recollect that there were very few informal votes upon that occasion.

Mr. ISAACS (Indi—Attorney-General) [9.55].—The form of ballot-paper has been adopted with a view to preserving uniformity in the method of voting. When persons become accustomed to one style of voting, any divergence from that plan will merely tend to confuse them.

Mr. ROBINSON (Wannon) [9.56].—It seems to me that the ballot-paper set out in form B would prove very confusing. There are three different sets of squares, in two of which sample votes are given. I think it is undesirable to print these examples upon the face of the ballot-papers. There are no such guides for the elector upon the ordinary ballot-paper. If the examples were printed upon the back of the ballot-papers the effect might not be so confusing; but I doubt whether even that plan would be a good one to follow.

Mr. WATSON (Bland) [9.57].—I think that the honorable member for Wannon has advanced a valid objection. Each of the

forms contain two sample sets of squares, and then the voter is invited to place his cross in one of another pair of squares. At first sight I thought that the squares were merely printed in the schedule with a view to indicating how the votes were to be recorded, and not with any idea of having them reproduced upon the ballot-paper. The two alternative sets of sample squares should certainly be eliminated from the ballot-paper, and if the honorable member for Wannon moves in that direction I shall certainly support him. As the Attorney-General has already indicated, the electors have become accustomed to placing a cross beside the name of the candidate in whose favour they propose to vote. They will be called upon at the next election to use that method of voting for members of both Houses of Parliament, and it is desirable that they should be permitted to follow the same clear course in regard to each of the referenda papers placed in their hands without being called upon to study any elaborate directions.

Mr. JOSEPH COOK.—I am quite certain that a large number would not study them.

Mr. WATSON.—No; I think that many of them would give up the effort altogether.

Mr. ISAACS (Indi—Attorney-General) [9.59].—Personally, I quite agree with what has been stated by the honorable and learned member for Wannon and the honorable member for Bland, and I undertake to have the schedule recommitted, when, no doubt, the Minister of Home Affairs will submit alternative forms.

Schedule agreed to.

Bill reported without amendment; report adopted.

PAPER.

Sir JOHN FORREST laid upon the table the following paper:—

Transfers of amounts under the Audit Act approved by the Governor-General in Council, financial year 1905-6, dated 3rd September.

ADJOURNMENT.

ORDER OF BUSINESS: DEFENCE DEPARTMENT: TENDERS FOR THE SUPPLY OF HARNESS.

Mr. DEAKIN (Ballarat—Minister of External Affairs) [10.2].—In moving—

That the House do now adjourn,

I am sure that the deputy leader of the Opposition will recognise that we do not

COMMONWEALTH OF AUSTRALIA.

I N D E X

TO

PARLIAMENTARY DEBATES.

SESSION 1906.

June 7 to October 12.

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PART I

SPEECHES.

June 7 to October 12, 1906.

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CONSTITUTION ALTERATION (NATIONALIZATION OF MONOPOLIES) BILL.

Senate:

Order of leave and Bill read a first time, 2894; 2R. moved, 3262; debated, 4022, 4991, 5610, 6031; negatived, 6060

CONSTITUTION ALTERATION (SPECIAL DUTIES) BILL.

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House of Representatives:

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House of Representatives:

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Senate:

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CUSTOMS TARIFF (BRITISH PREFERENCE) BILL.

House of Representatives:

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House of Representatives:

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Senate:

Bill received from House of Representatives, and 1R. moved and negatived, 6451

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House of Representatives:

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House of Representatives:

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House of Representatives:

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House of Representatives:

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Senate:

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Senate:

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EXCISE TARIFF (SPIRITS) BILL.*House of Representatives:*

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Bill received from House of Representatives, and read a first time, 1379; 2R. moved, 1851; debated, 1856; Bill read a second time and considered in *com.*, 1865; *ad. rep.*, 1866; 3R. moved and debated, 1938; Bill read a third time, 1939; assent reported, 2772

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Senate:

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House of Representatives:

Bill received from Senate, and read a first time, 684; 2R. moved, 2136; debated, 2142; Bill read a second time and considered in *com.*, 2155; *m.s.o.*, *ad. rep.*, and 3R. moved, 2161; *m.* withdrawn, 2174; *recom.* moved and debated, 2175; *m.* negative and Bill read a third time, 2179; message, 2520; assent reported, 3468

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House of Representatives:

Bill received from Senate, and read a first time, 4691

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House of Representatives:

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According to section 55 of the Constitution the imposition of taxation, and perhaps small details relative thereto, are the only matters which ought to be contained in a Customs Tariff Bill. A clause which, under the guise of being a condition as to the imposition of the tax, really regulates the maximum prices to be paid for an article is not a proper provision to be in the Bill. And not being a clause to which the provisions of the Constitution in respect of requests apply, it may be amended in the ordinary manner, 5971, 6072, 6086, 6089; although the proper course to take is to move an amendment, still either an amendment or a request, as the Senate thinks fit, may be moved, 6073

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A senator may propose either a request or an amendment in reference to that part of an Excise Tariff Bill which provides that those who obtain certificates shall be exempt from the imposition of the duties, and the Chairman is not justified in refusing to accept an amendment, 6088

A request that proposed duties of Excise shall only be imposed under certain conditions is relevant to the subject-matter of the Excise Tariff Bill and is in order, 4738

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A Bill is "reported" when the report is received, 5641

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Until a fair copy of a Bill, as amended in Committee, has been circulated, the adoption of the report thereon ought not to be moved, 3738

After the motion to adopt the report of the Committee on a Bill has been put, and become a question, no proposition can be made for a recommittal of the Bill, except as an amendment; but prior to the motion being put a senator may move for a recommittal, and, if moved, then it supercedes the proposed motion and will become the question, 3815-7

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Government business cannot take precedence in the time set apart by sessional order for private business, unless the latter is rearranged, 4985-91

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Government business may be taken in the time set apart for private business after the latter has been dealt with, and *vice versa*, 5091; but where it has been taken in its wrong precedence the proceedings have not been invalidated thereby, 4985-91, 5091

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Personal explanations are made by the indulgence, and not by the leave of the Senate; but they should be confined to matters in which senators have been misrepresented in the Senate, and not in the press, 5166

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